
GROUNDS OF EARNINGS DETERMINATION IN THE NEW
HUNGARY - THE GENDER DIMENSION

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ABSTRACT

This research dealt with considerations which have underlain the determination of earnings in post-socialist Hungary, as well as policy-makers' opinions on criteria which ought to influence the pay distribution. The focus was thereby on the value positions adopted, and on their likely consequences for gender inequality in pay. The main method used to elicit these norms were interviews with management and trade union representatives of the 'light' and the 'heavy' industry. The interview schedule and data analysis were informed by various theoretical approaches to earnings disparities. Theoretical propositions commonly advanced in economic and sociological literature dealing with gender inequalities in employment were covered; and principles which may influence decisions on a particular distribution of earnings were identified and included. The data collected on this basis required some insight into the nature of industrial relations in Hungary's past and present. This facilitated a better understanding of the particular views advanced by trade unionists and management.

The study revealed that few signs existed of any overt and systematic devaluation of women's skills and qualifications. However, the wish to adhere to 'traditional arrangements' in the distribution of jobs and earnings proved a central theme. This coincided with an explicit or implicit approval of the (male) breadwinner model; with the proposed ideal of a primarily domestic role for women; and with particular ways in which job aspects often found in men's and women's work were evaluated, and compensated for.

Inferences from our data were made for some aspects of the identified principles of earnings determination: in the light of the data, the specific experiences of women due to their different working conditions and their double-role were found to have been neglected by these principles, which claim to provide generally applicable grounds for the determination of earnings levels. Suggestions were made about the issues which the principles would have to incorporate in order to remove their gender bias. With regard to the prospects of women's situation, traditional conceptions of gender roles, which seem to feature in many areas of cultural, economic and political life in Hungary, are certainly powerful. However, new phenomena in Central and Eastern Europe, such as large scale unemployment alongside unprecedented possibilities for entrepreneurship, may lead to the re-evaluation of women's role.

DECLARATION

In accordance with Regulation 3.4.7. of the University of Edinburgh, I declare that this thesis has been composed by myself, and that I performed the research described herein.

Birgit Elke Jentsch

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LIST OF ABBREVIATIONS

CTU	Clothing firm trade union representative
MTU	Metal firm trade union representative
TTU	Textile firm trade union representative
CM	Clothing firm management representative
MM	Metal firm management representative
TM	Textile firm management representative
CBTU	Clothing branch trade union representative
MBTU	Metal branch trade union representative
TBTU	Textile branch trade union representative
LIE	Light industry employers' federation representative

CHAPTER 1

INTRODUCTION

Most people would agree that wage levels have important social, economic and political implications. Despite this and the fact that currently, hundreds of millions of people in Central and Eastern Europe are facing significant changes in income levels, debates over general reforms have awarded little attention to wage-related issues. The future of wage systems has rarely been discussed in a comprehensive manner, nor has it been given much prominence in an international forum (Vaughan-Whitehead, 1995).

One new feature of all countries in Central and Eastern Europe consists of wage liberalisation. This followed four decades of strong central wage regulation, which included the prescription of earnings classification systems. In Hungary today, the government is still involved in fixing a national minimum wage and recommending minimum and maximum wage increases. But the main activities in wage setting are now taking place at firm level where (facilitated by the new Labour Code) employers and unionists bargain over wages. Parallel to this development, there have emerged changes in the earnings distribution. The significant industrial and occupational wage differentials, which already existed in the 1980s, have widened (Berki & Ladó, 1995b, 177).

This thesis focuses on the value positions which, it can be argued, underlie the process of pay determination. Central to this problem is the issue of the possible consequences arising from those values for gender inequality in pay. Let us see where such a study can be located in the context of the literature dealing with earnings dispersion.

1. The scope of this study

Earnings structures can be examined in various ways. It seems that economists tend to associate the concept of 'structure' with the presentation of statistics, which indicate the earnings relations, for example, between occupational sectors or the

qualifications of groups of employees in a national economy. An earnings hierarchy is then the result of forming social statistical groups on this basis (Weiler, 1992; Bahrtdt, 1992). This type of approach has obviously been adopted, for example, by Atkinson and Micklewright (1992), and by Pudney (1993). These authors present graphs and tables indicating the distribution of male and female earnings in Hungary - their data being derived from the official household budget survey and the enterprise-based earnings survey. Referring to these surveys, Pudney argues that no upward trend in the male-female earnings ratio has occurred with the economic transformation in Hungary. He shows that although the gap widened between 1988 and 1989, it narrowed steadily to 1992 (Pudney, 1993, 21).¹ The shortcomings of this purely statistical approach to earnings inequalities become apparent when we ask questions about the possible processes shaping an earnings structure. It is when we are interested in these processes, and the resulting dynamics in a given earnings distribution, that we have to move beyond statistical groups and concern ourselves with social groups.

Here, Weiler's (1992) and Bahrtdt's (1992) writings can be referred to. We can look at 'social group' as a number of people who entertain social relations and pursue, at least for some time, common goals.² Communication takes place about those goals and their realisation (Bahrtdt, 1992). As concerns different groups of workers, it is clear that none of them is completely homogeneous and that conflicting interests exist within these groups, for example, according to individuals' occupational category. However, one phenomenon which can generally be found is a gender-related status hierarchy within and among these categories of occupational groups. The social evaluation of men's and women's work does not follow generally uniform social norms. Rather, it has been argued that divergent social evaluations of men and women, as well as of their work, are an integral part of most societies (Weiler, 1992, 31). One reason for this may lie in the differences in social status, which is said to be accompanied by an analogous power of defining the criteria used for evaluating jobs. It is clear that not everyone has the same influence in this process, with women typically participating less than men (Weiler, 1992, 13; 35).

¹ In 1989, the ratio of mean male earnings to mean female earnings was 140%, whereas in 1992, it was reduced to 124% (Pudney, 1993, 21).

² It is a common assumption that a group pursues one or more goals, and that there is a consensus about this. Not all members of a group have to actively participate in the struggle for the achievement of all these goals. It is sufficient if they are not opposed to them (Bahrtdt, 1992, 91).

Considering that constellations of power and interests of individual groups are lasting and that earnings structures are thus usually stable, there may be a temptation to believe that such structures are static. However, it is when (temporary) changes occur at a particular point in the structure that the social dynamics are laid bare. Changed expectations and improvements in the relative earnings position at the bottom end may lead to reactions of those status groups at the top who aim at reproducing the past relations. Hence, the stability of the structure results from continuous processes of adaptation (Weiler, 1992, 14, 38). With an improvement of the relative position of a group of female workers, men are likely to perceive their relative social position to be at risk. It is therefore possible that an adaptation process follows suit, which mirrors the fact that the dynamics of the earnings structure are not gender neutral. However, there are invariably disruptions and contradictions in the complex, socially constructed earnings hierarchy. These could be seen to be responsible for changes in gender specific earnings positions (Weiler, 1992, 14, 38-9).

How does such an approach to the gendered earnings structure fit with the literature on women's pay in the Soviet-type and transforming economies?

2. Earnings and gender in state socialist³ societies

Literature on issues of earnings distribution in socialist societies, if dealing with women as a category of workers at all, often includes female workers indirectly, for example, by listing them with those groups characterised by possessing few assets, similar to the unskilled, young people or the disabled (Ferge 1979; 1991; Deacon 1992a; Kanaev 1991). The main concern, however, is likely to rest with issues of inequality by occupation (and here mainly between workers and managers or professionals) or by sector. In as far as these categories are gendered,⁴ inequality between the sexes may implicitly be covered. But this is clearly a far cry from an

³In this thesis, the concept 'socialist' is used as a term denoting a historical time period. 'State socialist', by contrast, is a concept which carries a value judgement, for example referring to the totalitarian aspects of regimes many people would argue were a far cry from a socialist ideal. Other terms are in use, such as Bob Deacon's (1992b) 'bureaucratic state collectivism'. While such concepts also reflect a critical evaluation of so-called socialist states, my preference has been with 'state socialism' due to its brevity and fluency.

⁴For example, females dominate the 'light industry' whereas males are overrepresented in the 'heavy industry'.

analysis of gender-bias in the earnings structure, and of the social process which leads to it.⁵

Authors who concentrate on the issue of female pay emphasise that despite widespread employment of women, this has not resulted in sexual equality. The disparity between men's and women's earnings has been of a magnitude comparable to Western economies. While there seems to be little detailed analysis of this phenomenon, the literature tends to emphasise vertical and horizontal job segregation as the root for such inequalities. It is argued that the vast majority of women have worked in the non-productive branches of the economy, in feminised industries, performing less qualified work. Often, women have been assigned low-paid tasks even when qualifications and training are equal to that of men's (McAuley 1981; Connor 1979; Corrin 1992; Cukor & Kertesi 1985; Haug 1991; Dölling 1991).

However, it seems that job segregation per se does not necessarily lead to a gendered earnings structure. There is no logical causal relationship between especially the horizontal type of segregation and the distinct evaluation of jobs or particular assignments of wage claims. Related to this is the point that 'qualifications' and 'skills' are, at least in some cases, contentious concepts. The view was advanced above that privileged pay and social status can correlate with a relatively powerful position in defining particular aspects of work as more or less important in pay considerations. The effect of this could be that women experience a systematic devaluation of some human capital and job components, while the opposite is true for men (Weiler, 1992, 25). In practice, this could mean that if women perform better in particular aspects of work relative to men, or if their work contains elements absent in men's work, then it will be those features which are either ignored altogether or defined as marginal, and rewarded accordingly. By contrast, the strengths of men and the components of their jobs will tend to attract high attention and pay.

The concept of the social evaluation of work can aid our understanding of why the two possible strategies through which women can theoretically gain equal pay to men have never been entirely successful: women neither succeeded in significant ways when they tried to compete with men in the 'male domain of work', i.e. by

⁵ This comment applies similarly to Redor's work (1992), who points to the feminisation of an industry as a concomitant of low pay.

performing, for example, physically heavy types of work for which males are usually remunerated relatively well. Nor were they very successful when they remained in the areas deemed to demand typically female skills, which males are believed to have difficulties emulating. Interestingly, this applies to Western as well to Soviet-type economies, although the rhetoric of the justifications on which the relatively poor pay of 'women's work' rested was certainly different in the two cases. In Soviet-type industries, earnings were high in most cases where physically hard work was required (by male workers), especially in the mining and metal processing industries. Such pay levels often reflected the political ideology (Redor, 1992; Pulay, 1989) and economic priorities, which led to the elevation of the 'heavy' and the neglect of the 'light' industry, the latter being dominated by women who would often work under very strenuous conditions.

Due to the political revolution and economic restructuring, some of the former justifications which are compatible with the 'workers' state', have now lost their *raison-d'être*. It is the objective of this study to explore what emerged to fill this vacuum by interviewing key-players in earnings determination. While there was no prescheduled hypothesis to be tested, there obviously existed the principal assumptions outlined above on which the research question was based: pay determination is characterised by a strong social dimension, which is value laden. Beyond this general premise, the exact nature of these values as well as the extent of their relevance were to be explored in interviews. Interview questions were guided by a theoretical framework mapping out different grounds of earnings determination and conceptions of socially just pay. On the basis of the findings from interviews, the 'new aims' of policy makers in relation to earnings distribution were examined; the likely consequences of the adoption of one set of values rather than another were considered for gender inequality in pay; finally, our theoretical framework was reassessed in the light of our data, and some suggestions were made how certain aspects of the theories discussed could achieve a higher degree of 'gender neutrality'.

Before briefly describing the content of each chapter, some mention needs to be made of the intrinsic ethical dilemmas which we find when conducting cross-cultural research. By going beyond their national and cultural boundaries, researchers are in a position whereby they can counter the accusation of ethnocentrism, which could be advanced if they confined their research to countries of which they have life experience. However, concerning 'feminist' studies, researchers open themselves to the possible criticism of culture-colonialism if they

analyse and repudiate a culture's subordination of women, or of misogyny should they accept it (Arpad, 1994, 496).

There seems no absolute answer to the question of how to overcome the dilemma of what has been presented as two competing sets of ethics: respect for women or respect for culture (Arpad, 1994, 496). Maybe part of the solution is to make one's value position explicit, and to accept that those values and beliefs were shaped by a specific historical context, geographical environment and cultural milieu, thereby recognising the inevitable degree of ethnocentrism which can be found in any research. With this awareness of our bias, it is possible, and in fact desirable, to challenge those aspects of cultural life which strike as imposing certain life styles on social groups of a population, and as limiting opportunities to fulfil potential and aspirations. Such challenges are indeed likely to be better formulated by 'outsiders', who are aware of some characteristics of a culture of which 'insiders' may not be conscious. This still presupposes a strong involvement of 'insiders' in order to gain maximum understanding of a situation. It seems also a precondition that we are receptive to challenges to our own culture, and accept that here, too, there is an urgency to create more just and humane social arrangements. In this thesis, I hope to have succeeded in making clear that similar to my concern about women's position in Hungary, I find Western countries also far from satisfactory in this respect. Considering the different lives women led in East and West, there is no doubt that both parties can gain from each other's experience, and progress for women could be best achieved through joint efforts. To some extent, this piece of work is the result of such an effort, as many Hungarian women (and men) have been consulted on many of the issues covered.

There are two distinct parts to this thesis. The first part consists of Chapters 2 to 4, which deal with the themes of the research in a theoretical way, and discuss methods of exploring those issues in contemporary Hungary. Chapter 2 can be seen as an elaboration of the themes addressed in this Introduction, covering in detail various explanations for gender inequality in employment. By dealing with dominant economic and sociological approaches to the operation of labour markets, the main contention of this chapter is that inequalities in employment opportunities and pay have very strong social and cultural, as well as economic, components. Neo-classical economic theory of earnings inequality by gender is challenged, and more eclectic accounts are presented. Chapter 3 provides a theoretical framework which pinpoints different possible value positions in relation to earnings determination. The emphasis is thereby on conceptions of socially just wages.

Chapter 4 explains the methodology of the study. The research design, the process of the data collection and the data analysis are discussed. Issues are examined which in each of these steps may have influenced the data and which need to be borne in mind when the presentation and the interpretation of the data is considered.

The second part of the thesis, Chapters 5 to 7, is concerned with the data analyses of the interviews; each of the three broad themes which are discussed -industrial relations, images of women workers and rationales behind earnings determination- are preceded by accounts of their respective historical contexts. In Chapter 5, the aim is to provide an insight into the roles which trade unionists and management have adopted in the past. On the basis of our interview data, an assessment is made as to what extent the rules which appear to have governed industrial relations in the past have survived. This background is required in order to evaluate the attitudes of our trade union and management interviewees, especially in relation to their concerns about earnings levels. Chapter 6 looks at images held of women workers in Hungary. The different roles which women were expected to adopt, and which were reflected in certain policies during state socialism are examined. Following this, assumptions are presented which management and trade union interviewees made about women workers today. These views can shed light on the job allocation process and its consequences for men's and women's access to high status and high pay employment. Chapter 7 is concerned with rationales behind earnings determination in Hungary, which are then linked with the theoretical propositions of Chapter 3. These links are further elaborated upon in the final Chapter. Here, the purpose is to establish the relevance of the different rationales behind earnings determination, and to consider their consequences for male and female pay. In this concluding chapter, the implications of our data for theoretical ideas of socially just earnings are also examined.

CHAPTER 2

APPROACHES TO THE OPERATION OF LABOUR MARKETS AND EARNINGS INEQUALITIES BY GENDER

This chapter considers major theoretical economic and sociological perspectives which can inform an assessment of the possible reasons for earnings inequalities by gender. In the first part of the chapter, neo-classical perspectives of a (deregulated) labour market and the gender wage gap will be looked at - an approach still dominant today in its influence on policy discussions in economics (Humphries & Rubery, 1995, 2). Particular assumptions underlying this approach will be examined: the connections made between female workers' characteristics and their value in terms of human capital; the ideas surrounding 'taste' and 'statistical discrimination'; the measurement of productivity; and the perceived relationship between the supply and demand side of labour. It is found that an economic perspective which aims at incorporating gender requires that the influence of social and economic institutions is recognised - a prerequisite which neo-classical theory has difficulties to fulfil. Issues which are discussed in more eclectic approaches include the social construction of the definition of 'skills', as well as social factors influencing the supply and demand side of labour. Many of these phenomena will have been supported by the division of work in the domestic sphere.

The second part of the chapter concentrates on the structure of the labour market as defined by industrial factors, and the impact this could have on earnings and other working conditions for particular groups of workers. The main argument here revolves around segmented labour market theory. A common theme underlying both parts of the chapter is the emphasis on the social construction of employment opportunities and pay.

Writing about women's experiences in the labour market inevitably leads to generalisations. I am aware that employed women do not constitute a homogeneous group, and that their experiences can differ widely, not least depending on their ethnic background and their age. However, it seems that in the

search for a theoretical framework to account for earnings inequality between the sexes, the examination of subgroups of gender (rather than of women in general) could have been as paralysing as helpful. Paralysing, because it would have rendered a highly complex issue even more complex, maybe unmanageable; and helpful for the obvious reason that important aspects can be brought to the fore which otherwise remain ignored. For the purpose of this chapter, which includes the aspiration to cover the most important approaches to earnings inequalities by gender, it appeared justified to make general assumptions about women's position in society, perhaps at the expense of leaving obscure the experiences of particular groups.

1. Explanations of earnings inequality: actors in the labour market

1.1. Human capital

In recent years, much of the research done by economists in attempts to explain earnings inequalities has been based implicitly or explicitly on the neoclassical economic theory of wages. One premise of this theory consists of the idea that people tend to get out of the productive process approximately what they put in. Wage rates are said to be equal to the marginal net product, i.e. they are equivalent to the difference that it would make to the total output of the industry in which somebody is employed, if this person withdrew his or her labour (Wootton, 1955, 14). The quality and the quantity of a person's input is seen to be largely dependent on the possession of human capital, i.e. education and training. But actual wage differentials are also related to the costs of education and training in which human capital was acquired. Adam Smith argued that the expense of labour or time invested in education must be compensated for in earnings which reflect the entire expense of the education, and at least the same profit as could have been reaped from an equally valuable capital (Atkinson, 1983, 106).

So according to human capital theory, individuals must expect that they will be fully recompensed for the costs of acquiring human capital, including foregone earnings. Only then will they be willing to invest in it. This assumption rests on a model of completely mobile workers who have perfect access to information, so that they can seek the highest possible return for their human capital in the labour market (Treiman & Hartmann, 1981, 22). Still, equality will be obtained in the long

run across occupations and industries due to the supply-demand formula: the higher earnings in a given occupation will draw in an increased number of entrants and this extension of the supply of labour will reduce the relative pay that it commands (Brown, 1977, 239). This in turn will determine people's willingness to acquire human capital. In short, human capital theory focuses on the individual as an analytical category. Individuals have freedom of choice and rationally try to maximise utility (Amsden, 1980, 13). They operate in a perfectly functioning labour market where earnings are determined by human capital, productivity, and supply and demand factors. Inequalities in pay are seen as an anomaly, and expected to disappear over time because of forces of competition.

The phenomenon of gender inequality in earnings is then partly explained by the alleged systematic differences in education and training between the sexes. In addition to this, there are certain associations accompanying the factor of gender, for example, perceived intrinsic characteristics of workers, such as physical strength. This leads to a situation in which women's human capital is regarded as being relatively poor, translating into comparatively little productivity. But human capital theory also explains the supply curve of labour, and women's inferior position in the labour market is accounted for by the large supply of women who are available for the less skilled and less productive jobs (Pettman, 1975, 6). So how does human capital theory measure up to the insight it yields?

The theory has probably some explanatory power in so far as it can account for women's lower returns provided that women invest less in human capital than do men. But it is not surprising that criticism of the theory often focuses on the underlying assumptions of the model, which are difficult to reconcile, for example, with the complex reality of the labour market, the diversity of human beings and gender relations. Clearly, a theoretical approach which is subject-oriented, ahistorical and asocial has little to offer when we ask *why* it is that women invest less than men and why in general they remain concentrated in particular traditional jobs in low paid, low productivity sectors, such as textile and retailing. The assumption that people's 'choice' of kind and duration of education is based on nothing but costs and returns as well as natural biological factors appears too reductivist to be able to successfully elucidate reality. Rather, the questions which should have precedence here are why and where people obtain qualifications relevant for employment, what kind of qualifications they are and how they are rooted in societal structures (Pettman, 1975, 8; Klewitz et al., 1989, 4).

Moreover, there is the problem that human capital theory and empirical evidence are difficult to square. The fact that women with human capital features comparable to those of men still earn substantially less than their male counterparts exemplifies that a direct link between human capital and wage levels is unlikely to exist (Rubenstein 1984, 13-4; Walby, 1986, 72-3). Even if it was argued that, on average, men and women differ in many productivity related characteristics, it appears that this can still not explain the size of the earnings gap. In terms of educational qualifications, an American study found that gender differences in this component of human capital could account for no more than two per cent of the earnings differential (Rubenstein, 1984, 14). Such findings have been substantiated by the US National Academy of Science's National Research Council. On the basis of a literature review on the relationship between average differences in personal characteristics and pay differentials, it was concluded that most studies explained less than one fifth of average earnings differences by gender with this relationship (Rubenstein, 1984, 15-6).

For these reasons, we need to search for other causal factors of earnings inequalities between the sexes, and one possibility consists of discrimination against women. In fact, it is here where we see another flaw of human capital theory, which is unable to resolve the question of cause and effect, and which leaves no room for 'feedback' effects: it can be imagined that low wages and the suspicion or knowledge of discrimination have a discouraging function for women's motivation to invest in human capital. So let us examine the idea of discriminatory forces more closely.

1.2. Discrimination

1.2.1. Employment discrimination

In order for someone to maximise his or her earnings at any given time and to move into jobs where supply is scarce, a range of conditions has to be fulfilled. There are possible obstacles, such as the difficulty of obtaining funding for higher education, which (potential) students often encounter. Here, the socio-economic standing of parents can play an important role. Even if there were no financial limits, some people might not be adequately equipped with the required characteristics for a particular job. Earnings in such occupations might then contain a 'rent of ability' and the jobs confined to people who meet the requirements (Brown, 1977, 239-40).

It seems that disadvantages can accumulate for certain groups of people. The issue of reduced job mobility potential is not only a social class issue. It is clear that women are confronted with additional obstacles. Even if they fulfilled the particular criteria of ability and access to financial resources, discrimination long before the point of entering the labour market affects their chances for employment. Brown (1977) asserts that in the aggregate, girls are less well prepared for employment than boys. Writing in the late '70s, he explained the fact that relatively fewer females than males were maintained through high school and college or vocational training of a professional kind mainly with the persistence of traditional conceptions of the division of labour (Brown, 1977, 14). Parents were less willing to invest resources in education or training for their daughters who were expected to withdraw from paid employment once married. Women's work was seen to be centred on the home, and expectations of this kind influenced parents' decisions on what amount of their resources to invest into their daughter's education. The knowledge of such traditional and common expectations could have had an impact on girls and given them a lesser incentive to persist in exacting courses of preparation. Boys, by contrast, were regarded -and often regard themselves- as future 'breadwinners' which left them with high incentives to embark on an ambitious education programme (Brown, 1977, 148). While such attitudes may have changed to some extent over the years, empirical research carried out in Germany and the UK testifies to the fact that up to the present day, the level of segregation by occupation between the sexes in training programmes is even higher than in the labour market as a whole. One main factor playing a role here is women's views of their potential employment opportunities, which result in their choice of training in traditionally female areas. It seems to be a high risk strategy to acquire skills which are likely to lead into a dead end due to employer discrimination and prejudice (Humphries & Rubery, 1995, 18-9).

Undoubtedly, there are various normative influences which operate in the labour market and which call the idea of free choice of occupation into question. In this context, different discrimination theories are commonly referred to. Before distinguishing between them, we should consider the general definition of discrimination as suggested by neo-classical theory. This approach equates discrimination with that proportion of the gender wage gap which cannot be attributed to differences in productivity related characteristics. In other words, the wage differentials by gender are argued to consist of the component which can be associated with differences in wage generating characteristics, *plus* an unexplained

residual, i.e. the factor of discrimination. The residual can thus be interpreted as representing the differences in the return obtained by male and female workers for the same human capital (Humphries & Rubery, 1995, 2).

One of the various models of discrimination is taste based. The theory of taste discrimination was first formalised by the neo-classical economist Gary Becker (Goldin, 1990, 88; Treiman & Hartmann, 1981, 63). The concept of taste is held rather vague⁶ and is applied to discrimination exercised by employees, employers or customers (Goldin, 1990, 88). They simply have a distaste for conducting business with, working with (especially being supervised by) or employing women. There is general agreement among economists that customer discrimination is of minor importance in explanations of earnings differentials (Humphries, 1995, 71).⁷ Concerning the validity of the hypothesis that employees may dislike to work with each other, little evidence exists, but the situation can still be illustrated easily. For example, following the war, male-dominated unions ensured the removal of women from their war-time jobs. The employers, by contrast, would have preferred to retain them (Walby, 1986, 77). Often, men feared that the introduction of female labour would lead to the 'deskilling' of occupations, which resulted in male strategies of excluding women (Goldin, 1990, 81). However, in general, this version of discrimination has been subject to few tests, maybe because of the difficulties involved in investigating this area by quantitative means (Humphries, 1995, 72).

Employers' discrimination certainly appears a plausible source of discrimination, but the problem with this explanation for neoclassical theory is that its predicted consequences are difficult to reconcile with reality. It is argued that due to the competition, there is a guarantee that discriminating firms will disappear over time: since women who are discriminated against will be undervalued compared to their productivity, this will put employers who do not discriminate in this way at a competitive advantage (Treiman & Hartmann, 1981, 64). However, it seems that empirical evidence cannot easily be found to support the predicted reduction or elimination of discriminatory behaviour generated by market forces. Goldin (1990,

⁶ Neoclassical theory subsumes under 'taste' all extraneous influences, i.e. all inexplicable behaviour which cannot be attributed to differences in income and price. The studying and explaining of tastes is not regarded to be part of the economist's job, but is left to other social scientists (Amsden, 1980, 13).

⁷ After all, if customers tried to avoid contact with a certain group of workers, it can be assumed that those workers would move into jobs in which contact with customers was unnecessary (Humphries, 1995, 71).

89) points to historical material which demonstrates the persistence of both kinds of discrimination throughout the 19th and early 20th century; and Treiman and Hartmann (1981, 25) show that occupational segregation has hardly decreased among whites over the last decades.⁸

Another type of discrimination is termed statistical discrimination. Employers do not necessarily have 'tastes' for discrimination, but they discriminate by trying to minimise training and turnover costs (Treiman & Hartmann, 1981, 64). Women as a group are expected to leave paid employment sooner and more frequently than men, and have been labelled to be less likely than men to aspire to positions of responsibility (Goldin, 1990, 118). As a corollary, they tend to be seen as unsuitable for costly on-the-job training and often do not enter the screening process. Women who are committed to stable labour market participation are also barred from certain jobs and careers as one of the consequences of this discriminatory group labelling based on principles which are assumed to maximise profits (Amsden, 1980, 16).

With regard to the coherence of the model, it is important to note that employer assumptions in statistical discrimination do not involve mistaken beliefs - what feminists have referred to as 'error discrimination'. Rather, it is assumed that hiring decisions are taken on the basis of a test score, which measures workers' true productivity (Humphries, 1995, 73-4; Paci et al., 1995, 190). This leads to obvious confusion in the model in so far as payment according to *expected* productivity does not constitute discrimination in the neo-classical sense. In fact, if this type of discrimination was to be abolished, forcing employers to change their behaviour would be seen as inevitably involving costs. After all, the assumption is that they are doing the best they can - only that the results of their actions are inequitable (Humphries, 1995, 74). The implication of 'error discrimination' would be different, of course. If women were disadvantaged due to employers' errors, different policies such as pay equity or affirmative action could help to rectify employers' mistakes, whereby no efficiency costs would occur (Humphries, 1995, 74-5).

⁸ The extent of occupational segregation has been measured, for example, by segregation indices calculated for the distribution of workers across broad occupational groups. "An index of segregation between two groups can be interpreted as the minimum proportion of one group that would have to be shifted for its occupational group to be identical to that of the other." (Treiman & Hartmann, 1981, 25) Using this index, Treiman and Hartmann conclude that "in 1970, 44 percent of white women would have had to shift their occupational category for the distribution of white women across broad occupational groups to be identical to that of white men." (ibid.)

In addition to particular groups of people who may exercise discriminatory practices leading to women's inferior position in the labour market, there are also norms, which are rooted and reproduced at societal level. They may define certain industries as 'male', thereby barring or deterring women from entry. Goldin (1990, 81) looks at the example of meat packing which, due to the handling of knives, was regarded as unsuitable for women. This remained the case even long after strength requirements, which may once have justified male labour in this job, could be surmounted. The widely accepted norms supporting such phenomena seem to be firmly built into the gendered structure of employment: factors such as the sex-typing of training and jobs contribute to gendered human capital investment and sex-segregation in the labour market, which in turn reinforce ideas about suitable training and jobs for the two sexes (Bruegel & Perrons, 1995, 155-6).

So we arrive at a situation where several types of discrimination coincide: discrimination on the basis of norms and traditions, taste and perceived own interest, whether on part of employers, or employees and their representative bodies. The fact that discrimination is built into the structure of the labour market means that competition takes place on the basis of such a structure, and individual discriminatory behaviour serves to reinforce it.

Concerning in particular vertical job segregation by gender, Izraeli and Adler (1994) suggest three different theoretical perspectives which can contribute towards explanations of women's position in employment in most countries. The first perspective emphasises perceived differences between the sexes, including different personal characteristics and behavioural patterns. It is suggested that women's traits are inferior to those of men, leading to a high representation of women in low level jobs.

The second approach looks at the composition of organisations as a major obstacle to women's careers. Here, the main argument is that the visible fact of women's disproportionate location in low-level posts creates attitudes which perpetuate this situation. Changes in the behaviour towards female employees are expected as soon as a greater number of women can be seen in higher positions - to be achieved, for example, by quota regulations.

The third perspective is concerned with institutionalised discrimination, looking critically at the role of management and their assumptions about gender, thereby questioning the claim of women's inadequacy -the first approach- and challenging

the notion of objective, gender neutral organisations, which the second approach embraced.

The three perspectives will be dealt with in more detail and more critically in Chapter 6, where they contribute towards a framework with which some of our data will be analysed. At this point, however, we should turn to forms of discrimination which go beyond the fact that women perform different work from men, and often do so without real options. Apart from occupational discrimination, there is the possibility of wage discrimination.

1.2.2. *Wage discrimination*

Women's work is paid less, and the more it is dominated by women, the less it pays (Treiman & Hartmann, 1981, 28). The fact that gender, rather than human capital, could function as a determinant of pay can be illustrated with the example of the survey carried out by the American Bureau of Labor Statistics in 1976. In their sample 12 of 26 clerical occupations were paid less than janitors in employed manufacturing industries (Treiman & Hartmann, 1981, 48). Of course, wage discrimination has been mitigated to a certain extent in recent years, with changes having been enforced from outside the labour market, for example, by government legislation such as the Equal Pay Act.⁹ But there are limits to such policies, and, as a rule, women's work is still valued less than men's work. Millward and Woodland's (1995) study of gender segregation and wage differentials at workplace level yielded the following results.

"Controlling for a wide range of other factors, when unskilled workers in an establishment are mostly men, they earn nearly 30 per cent more than they would if they were mostly women. Such a gap can hardly be attributed to greater physical demands of male work. Even for clerical workers, the difference is 12 per cent" (p. 241).¹⁰

The fact that work is segregated helps to disguise the more indirect wage discrimination, where a group of female and a group of male workers perform

⁹ As Anne Phillips (1983, 15) points out, women's wages were stuck around 60% of average male rates and only with the Equal Pay Act (in force since 1975) did this begin to change. However, job segregation along sexual lines has still constituted real limits to decreasing inequality. Now, the justification for low pay is based on the nature of the job instead of the sex of the worker.

¹⁰ While the Workplace Industrial Relations Survey data on which the authors have based their estimates does not provide pay rates but weekly earnings, attempts were made to control for overtime hours, payment by results and shift working (Millward & Woodland, 1995, 229-30).

tasks which can be argued to be of comparable worth to their employer, but are still paid differently.

Searching for appropriate criteria which can serve the purpose of comparison is difficult. The most common criterion of job comparability adopted in national laws and regulations on equal pay in Western countries is the value of the job content. 'Job content' usually includes skills, mental and physical effort involved, level of responsibility and working conditions (Eyraud, 1993, 37-8). Therefore, deliberations about the nature of jobs in which women are concentrated are important in the context of discrimination and pay. Let us consider, for example, jobs in the service sector, such as cleaning, cooking, and nursing, which are clearly female dominated. They tend to be regarded as natural extensions of women's role in the home, and skills used here are often said to lie in women's nature. It has been argued that because these skills are seen as inherent -not acquired- attributes, they are conveniently excluded from material evaluation (Klewitz et al., 1989, 1; Morris, 1983, 4).

However, the argument that perceived inherent attributes yield little return seems questionable in so far as it implies that men in jobs involving 'natural male characteristics', would earn relatively little. This is not borne out by the fact that perceived 'male characteristics' used in jobs dominated by men, such as physical strength, are often well rewarded. By contrast, concerning women's employment, even where long periods of training are required, female jobs have rarely been valued highly. Nursing, for example, is often judged to be not 'really skilled'. It is not a high status and high pay job despite long training and the presence of 'acquired skills'. Hence, it seems more accurate to attribute the low evaluation of jobs containing 'female skills' to the fact that they are seen as women's jobs, and therefore downgraded (Phillips, 1983, 16-7; Phillips & Taylor, 1980, 79).¹¹

Evidence for the assertion that women's jobs are paid low because they are women's jobs can be seen in job evaluation schemes, which implicitly tend to upgrade those criteria mainly found in male jobs at the expense of more 'female characteristics'. So while there is general agreement that jobs should be evaluated

¹¹ Yet, ways have been found which can often grant men in typically female jobs higher pay than their female counterparts. The job title is decisive: where men and women carry out similar work, job titles can be very different, obscuring the job content and thereby legitimising pay inequality. For example, men are Salesmen, women Sales Assistants; men are Hygiene Officers, women Cleaners; men are Assistant Managers, women Manager's Assistants; men are Personal Assistants, women Secretaries (Morris, 1983, 12).

on the basis of criteria such as skill, physical and mental effort, responsibility as well as working conditions,¹² there is a whole range of inconsistencies regarding the evaluation of women's jobs. Generally, we find an emphasis on physical effort rather than mental stress, on physical strength, rather than dexterity, on responsibility for product quality, rather than moral responsibility, which nurses have for their patients' welfare, or secretaries for the circulation of information (Eyraud, 1993, 38). In terms of skills, for example, childminders who take complete responsibility for the children and who to a certain extent combine the jobs of nurses, teachers and parents, are still considered unskilled. Similarly, cleaning is regarded as an unskilled job, notwithstanding the usage of hand and power tools, for example, vacuum cleaners and washing machines; the use of chemicals, such as bleach and detergents; and the necessity to take decisions (Morris, 1983, 4).

Since sex-typing has proven to affect the evaluation of workers, there are strong reasons to believe that it also has an impact on the evaluation of those jobs associated with either sex. Clearly, many existing pay structures and differentials are related to conventional views and attitudes and mirror a system of values which is deeply entrenched in tradition. The impact of such sex bias is reinforced by job evaluation schemes, which tend to avoid causing too many changes in the status quo due to the resistance and frictions which these 'disturbances' would imply. Therefore, when job evaluation systems are designed, they are commonly tested and refined by a comparison of results with existing pay rates. Ironically, the accuracy of a system is thus measured by its ability to replicate existing pay discrimination (Gill & Ungerson, 1984, 30-36).

Of course, the objection can be made that the poor evaluation of female labour is not just based on cultural norms, but rather reflects economic considerations, for example, women's productivity. The value produced by workers can in fact be regarded as another criterion on the basis of which jobs can be compared.

¹² Not all job evaluation schemes would analyse jobs under these specific factors. In so-called non-analytical schemes, jobs are not broken down in this way, but are rather evaluated as a whole, and their importance assessed in relation to other jobs. Examples of such schemes are job ranking and job classification (Gill & Ungerson, 1984, 31). In practice, however, it is the point rating scheme which is most associated with job evaluation. This analytical system looks at the factors which add 'value' to the job. Once the factors have been chosen, they are awarded a range of points. Of course, the analyst is forced to decide how, for example, manual dexterity ought to compare with physical strength. It is here where bias creeps into the system and where traditional views about the value of women's work can be reproduced (Morris, 1983, 10-11).

1.3. Productivity

Differences in the value produced by workers are notoriously difficult to measure, in particular in jobs which are outwith the manufacturing sector. Most production systems are complex, and workers stand in no immediate relation to the end product. Human capital researchers tried to overcome this problem by estimating productivity indirectly. They assumed that differences in productivity have their origin in people's endowment with human capital, for example, training, education and work experience, all of which can be measured more or less directly. But how valid is the use of human capital variables as a proxy for productivity? The relationship between concept and indicator is likely to be tenuous. Even if we accepted the idea that education can contribute to productivity, we would perhaps still have reservations about whether 'years of school completed' is a good indicator of the quality and amount of job-specific skills acquired at school (Treiman & Hartmann, 1981, 18). It is therefore not easy to get round the problem of looking at the actual outcome of performed work when we are interested in productivity.

On the face of it, it seems that work which involves the production of physical goods lends itself most easily for the measurement of productivity. The most obvious case for the earnings-productivity equation is the piece-rate worker. The relation between productivity and work appears straightforward. In no clearer example can workers be paid their marginal product at every instant in time. Yet, even this assumption has not remained unchallenged, and it has been shown to be difficult to derive a satisfactory 'hard' or 'objective' measure of productivity for the piece-rate blue collar worker (Medoff & Abraham, 1981, 206). Medoff and Abraham illustrate this with the example of the tyre assembler who succeeds in building more tyres than others without any greater 'real' productivity. After all, maybe a relative large number of flawed tyres were produced which sneak by inspectors; relatively little care could have been given to maintain the machinery; perhaps the person was relatively wasteful of materials; or less prepared to help co-workers than other typical assemblers who acted in a way which is more conducive to long-term profit maximisation (Medoff & Abraham, 1981, 206).

Another important point in relation to the difficulty of measuring productivity was made by Sir David Ross. Reflecting on his experience as Chairman of the Trade Boards, he called into question

“whether employers in general are able to estimate with accuracy the value to them of particular workers. This is particularly so with regard to the completely unskilled workers ...For [these] are for the most part engaged in doing odd jobs in and about the works, whose commercial value to the employer is obviously very difficult to estimate. I suspect that the wage paid to the unskilled workers is not fixed by any attempt to estimate at all exactly the value of their work, but rather by the rate at which they are willing to offer their services and this in turn is determined largely by their unwillingness to work for a wage insufficient to support an average family...” (Royal Commission 1946, ix, 10, para. 12, in: Brown, 1977, 153)

For the moment, let us not be concerned with the assertion that unskilled workers can afford to turn jobs down which yield an insufficient return for supporting a family, and what the implications of a ‘family wage’ are for women. Rather, we appreciate that productivity -whether there are simple methods of measuring it or not- probably plays less of a role in determining wages than is often assumed.

This applies to women’s work in a particular way. Goldin (1990) asserts in her historical analysis of wage discrimination that in modern firms, conscious decisions are taken by employers not to equate workers’ earnings with their value to the firm. The purpose of these policies is to elicit appropriate effort, and to bind employees to the firm by giving them the prospect of promotion (Goldin, 1990, 118). However, as shown above, due to discrimination as well as traditional views on job segregation and on women’s aspirations, female white-collar employees are often excluded from such policies. Goldin concludes that differences in the expected job tenure, and the associated lower value of women, have led to distinctions in the job ladders available to men and women. These differences were perpetuated by a history of occupational segregation and by societal values which agreed with the virtue of sex segregation as well as with differentiating on the basis of sex. No opposing ideology was readily available to prompt women as individuals to become discontent with the stigma attached to them as a group (Goldin, 1990, 118). Up to the present day, women seem to be easily persuaded to accept the underevaluation of their work, also because of the constraints in their availability for paid employment, which are related to their actual or expected family obligations. For the convenience of a suitable (close to the home, part-time) job women may then have a low reservation price and accept relatively poor pay, no matter what the market value of their skills contains (Treiman & Hartmann, 1981, 45).

Having conceded the social construction of earnings, Brown argues that there is evidence which in many instances “shows that there are *objective* reasons for the

value of women's work in certain jobs being less than that of men's." (Brown, 1977, 155, own emphasis) To support his argument, he lists the criteria of "lack of physical strength which handicap women in some manual work" (ibid.); in white collar jobs, he cites their lack of training and experience on the job, since most women get married and leave paid work for a certain time to raise a family (ibid.).

However, it seems that the 'objectivity' of these reasons as well as their significance may be questioned. For example, it can be asked to what extent women actually compete with men in manual work where physical strength (rather than a technique which, for example, nurses use when lifting patients) is a decisive factor in productivity. Would not these be the kinds of jobs from which women tend to be excluded, and which custom and tradition rule out? Clearly, the issue of employment segregation cannot be ignored here and it would be more fruitful to ask how far the earnings of men, who perform heavy physical work, compare with earnings of women whose so-called 'manual dexterity' many men would find difficult to emulate. The following argument by Phillips reminds us of issues raised above in the context of the degree to which job content is comparable.

"Sex stereotypes are written deep into our notions of skill and work is often classified as skilled because men do it, unskilled because it is done by women. Women are supposed to have nimble fingers, so dexterity gets a low value; men are expected to be stronger, so physical effort rates more" (Phillips, 1983, 39).

This issue of how we value skills and working conditions, magnifying male but belittling female jobs, cannot be ignored. As far as the argument is concerned that women's time out of the labour market is an objective reason for lower pay, some qualifications also seem to be in order here. Certainly, the fact that women's employment history is often different to that of men's has been shown to contribute to lower earnings. Women in the same occupational category as men do not climb up the career ladder over their working lives as men do, and their age-earnings profile is much flatter (Brown, 1977, 150). This could be explained with discrimination by employers. Or it may partly be related to the fact that women are often limited spatially when their husband's job determines where they live. They are thus not able to take opportunities for promotion involving a change of place (Brown, 1977, 150). Promotion prospects are also limited by the interruption of women's employment while bearing and rearing children, which leads to comparatively fewer years of experience. So where promotion depends on experience, employers are less likely to regard women as equals to men for ladders of advancement (Brown, 1977, 150; Amsden, 1980, 16). But it still has to be asked

how far shorter average length of service constitutes an 'objective' reason for lower pay. What are the assumptions behind this rationale?

Those adopting the human capital explanation of the experience-earnings profile would point to an assumed positive relationship between experience and performance. However, Medoff and Abraham (1981) emphasised the lack of "evidence which demonstrates that experience-earnings differentials can in fact be explained by experience-productivity differentials" (Medoff & Abraham, 1981, 187). Based on cross-sectional and longitudinal evidence, they conclude that a considerable fraction of the return to experience was unrelated to productivity. In fact, their study showed that while managers' and professionals' relative earnings were rising, their relative performance either remained constant or even fell with the passage of time (Medoff & Abraham, 1981, 187-8). Higher earnings can then simply reflect seniority - an arrangement which has been influenced by trade unions (Amsden, 1980, 29; Rubenstein, 1984, 15). Hence, it can be seen that the link between experience, productivity and earnings is more precarious than is often assumed. Moreover, depending on the type of job, it can be argued that experience gained outwith employment might well have contributed to a situation where a person is even better equipped for her job than beforehand.

In short, while Brown's arguments may have a grain of truth in them, how heavy they weigh in a theory accounting for earnings inequalities is debatable. Certainly, calling them "objective reasons", which seem to be equated with reasons related to productivity, could be inappropriate not only because productivity is difficult to measure and can be defined in various ways. But moreover, it is not self-evident why an individual's productivity is an objective reason. All kinds of reasons can be thought of on the basis of which we may want to reward people particularly well. They are not necessarily related to an individual's output, but could also be seen, for instance, in the value of the job content, including the working-conditions associated with a certain job.

Furthermore, it can be envisaged that productivity would be assigned a subordinate role by many people particularly with regard to public services, where women are overrepresented. If we used the measures of productivity referred to by the administrators in the public services, little would we know about the quality or the efficiency of a public service. For example, efficiency in the NHS is assessed by the level of bed occupancy, i.e. by how much of the time a bed is filled by a patient. Hence, in order to improve this ratio, the number of beds could be cut, so that there

are always people in need of them (Phillips, 1983, 26). Whereas a place can thus be used to an optimum with highly productive nurses caring for a high number of patients, few people would rate this kind of increase in efficiency as an improvement in the health service. It is thus unlikely that the 'productivity' in the mass consumer industries can be matched in public services. In the latter case, the work is not standardised like the production of a consumer durable; and more importantly, we are probably less concerned about 'productivity' and number counting, but would prefer a personal service.

So let us consider our final criterion used for explaining those differences in earnings which can be said to derive from workers' characteristics or behaviour, namely the interaction of supply and demand.

1.4. Supply and demand

In neoclassical economic theory, wages are regarded as the price paid to labour for its part in industrial work (Gonzalez Blanco, 1959, 1). As Hicks states:

"The theory of wages in a free market is simply a case of the general theory of value. Wages are the price of labour; and thus, in the absence of control, they are determined, like all prices, by supply and demand." (Hicks, 1932, 1)

The classical individualistic pre-Keynesian wage theory proceeds from this supply-demand formula by assuming that in a perfectly functioning, competitive labour market, and all people and jobs being alike, there would be no differences in earnings. In fact, Adam Smith asserted that if there were any differentials, these would cause people to move into the higher paying positions and equality would be restored through the competitive process (Atkinson, 1983, 104-5). Therefore, if employers pay more than the rate which is appropriate for a given supply of labour, it is expected that some workers will not find employment, just as goods remain unsold if they are priced too high. Conversely, if employers are offering too little, an unsatisfied demand for labour will appear. Now, in order to attract the limited supply of workers available, employers will raise wages up to a point where there is an equilibrium of supply and demand (Wootton, 1959, 13).

Although labour is not a commodity like any other, so that it appears difficult to measure its worth according to its value in the labour market, this principle has still been admitted frequently in practice. While Brown (1977) attributes some importance to custom, convention, status or power, he argues that pay differentials

“depend ultimately on what consumers think is worth their while to pay for different kinds of work, and on the number of people able and willing to do each kind of work at a given rate of pay. Consumers are willing to pay more for skilled work than for unskilled, just as -given the amounts available- they are willing to pay more for a yard of silk than for a yard of cotton. The amounts available depend on the costs of supplying them, and on the physical scarcity of component elements.” (Brown, 1977, 324)

So the fact that skilled work can command higher pay than unskilled work has little to do with the mere nature of either kind of work. Rather, because certain qualifications are difficult to obtain, the supply of people who are willing and able to obtain them is scarce. They need financial incentives to do so. Still, if a greater number of qualified people became available, relative pay would fall unless demand increased simultaneously (Brown, 1977, 324).

The argument that market forces can best explain the pay structure is in tune with recent research by American economists.¹³ For example, Murphy and Welch (1992) try to account for the dramatic rise in school related wage differences in the 1980s. Their explanations revolve around the factors of foreign competition creating changes to the effect that the demand for less skilled workers dropped, and of changes in the supply side with regard to education levels and demographic features. While the authors admit that developments such as the substantial increase in the price of female labour after the mid-1970s may point to an alternative explanatory direction, they do not pursue this any further. Similarly, Katz and Murphy (1992) concentrate on supply and demand factors in their explanations for changes in relative wages in the US during 1963-87. They believe that “a simple supply and demand framework helps to illuminate many aspects of changes in the US wage structure” (Katz & Murphy, 1992, 76). However, they concede that fluctuations in the rate of growth of relative supply can hardly contribute to illuminate differences across decades in changes in wage differentials between men and women (*ibid.*, 76-7).

Problems with the pure supply-demand model can be well illustrated with the example of gender differentials in pay. Much of the earnings gap between the sexes has often been seen in the context of occupational segregation, and the generally lower pay levels in women’s jobs. These lower earnings were then at least in part explained by the relative abundance of characteristics required for those jobs, and

¹³ cf. also Goldin & Robert, 1992; Bound & Johnson, 1992.

by the extent to which employers demanded those (Millward & Woodland, 1995, 221). However, the social forces and institutions which we have noticed in the sections dealing with the acquisition of human capital and discrimination have obviously an impact on the interplay of supply and demand. They will often lead to men's greater access to much demanded and highly valued human capital, as well as to better paid jobs, while sometimes effectively excluding women from those. Hence, the relationship between earnings and supply-demand can certainly not be divorced from the wider social environment in which it is placed. Regarding gender inequalities simply in the context of the operation of impersonal market forces and abstracting status, power and tradition from supply and demand is too narrow an account.

Similarly, there are problems with the demand side in a purely economic model. Employers, too, are limited in the access they have to possible employees due to union agreements which determine hiring rules and pay rates, but also because of custom and tradition. It has been noted above that employers do not select their employees in any 'objective' way -if objectivity is at all a meaningful concept in this context. From a supply of equally qualified men and women who can be said to achieve similar levels of productivity, employers may still decide -for all kinds of profit-oriented, traditional and sexist reasons- to only employ, or even screen, male applicants. In short, a wide range of social factors rule the constitution of and the relationship between the supply and demand side of the labour market. It seems that any explanation which fails to take such factors into account is at best of limited value.

Looking at the neo-classical model in this light, the theory can be judged to be not so much instructive in the way labour markets have empirically been found to operate, than prescriptive, telling us how they could and should operate. So while the neo-classical vision of an equilibrium between supply and demand is difficult to square with the functioning of the labour market in practice, this is not surprising. Factors such as employers' and employees' imperfect information, confined scopes of action -for example, due to labour market regulation- and restricted mobility are interpreted as 'imperfections' of the labour market (Sawyer, 1995, 42). However, such 'imperfections' could also be acknowledged as inevitable social and economic components of the labour market, some of which can certainly be assessed as desirable.

So far, in order to discern possible factors for earnings inequalities by gender, we have concentrated on the structure of the labour market in relation to its actors. The concept of human capital was dealt with, what it consisted of for the two sexes, why and where it was obtained. We established that common perceptions of 'female nature' and human capital may lead to occupational and wage discrimination, the former causing labour market segregation, thereby facilitating the latter. Even if wage discrimination nowadays does not so much take the crude shape of unequal pay for equal work any more, it still features highly. Due to the fact that men's and women's work is segregated, wage discrimination can be based on the presupposition that women's jobs and the skills involved are of lower value than those of male jobs. While our focus has thereby been on the perceived value of workers' attributes in relation to employers' demands, an alternative approach comprises a perspective which looks at the technological structure of firms, and the perceived requirements resulting from this structure. As opposed to neo-classical theory, which based its assumption on a deregulated labour market, free from any institutions likely to distort its 'perfect functioning', this perspective would regard such institutions as an integral part of the development of a theory how labour markets operate. For example, one major institutional constraint for the supply and demand side consists of internal labour markets. In many cases, employers do not seek labour on the open market, but positions are filled by internal promotion or transfers (Treiman & Hartmann, 1981, 45), so that there are grounds to characterise the labour market as segmented.

2. The technological structure of the labour market and pay inequalities: the segmented labour market theory

Segmented labour market theory has been presented as an attractive way of organising experience in low income labour markets. As opposed to the model assumptions of neo-classical economists, it contains the argument that the labour market is not a homogeneous unity, but that the determination of wages, the allocation of employment and production organisation can differ significantly in different parts of the economy. It is arguable whether clear distinctions can be made between the segments, which are often referred to as 'primary' and 'secondary labour markets' (Beechey, 1978, 173; Sawyer, 1995, 45).

Piore's (1973) model conceptualises the labour market on the basis of two distinctive sectors. Jobs in the primary sector are characterised by high wages, good

working conditions, chances of advancement, as well as employment stability. The secondary sector, by contrast, contains jobs which are likely to be low paid, with poor working conditions, little chance of advancement, harsh work discipline and considerable instability in jobs. A high turnover rate among the labour force is prevalent here, which makes union organisation difficult (Piore, 1973, 125-6).

What can be the reasons for the segmentation of the labour market? Some of the more detailed studies in the US have reached the conclusion that labour market segmentation is the result of firms making decisions with respect to developing their workforce. Where enterprises are forced to invest large amounts of money into firm-specific skills, they are interested in capturing the returns from training by integrating the workers and reducing quit rates to a minimum (Bosanquet & Doeringer, 1973, 424). The kind of firms investing heavily in training are typically associated with a high degree of market control, often including monopolising manufacturing capacity which is translated into a stable demand for labour (Ashton, 1986, 64). Hence, in order to attract and keep labour, such firms will offer premium wages and working conditions. Moreover, they usually contain internal labour markets, which are largely insulated from the external one. Jobs are arranged in a hierarchy with entry restricted to certain points at the bottom of the hierarchy. Most vacancies are filled by promotion (Townsend, 1979, 645). However, in some instances, the internal market covers only a small group of 'core workers'. Unskilled manual and routine clerical workers are recruited from the external labour market (Ashton, 1986, 66), and experience the same conditions as those employed in firms of the so-called secondary labour market.

Firms in the secondary segment tend to be smaller and to produce goods which are labour intensive. There is a relatively low level of capital investment involved. These firms can be found in particular in textiles, footwear, clothing and food industries - all dominated by a female workforce. Due to a competitive market and the labour intensive methods of production, there is particular pressure on management to keep labour costs down. Technology is relatively unsophisticated, the skills required by the labour force are of basic nature, quickly learnt, and not firm-specific. Enterprises tend to fill jobs from the external labour market and will invest a mere minimum into training. High turnover rates are not regarded a problem by employers, but are rather used as a means of adjusting employment volume to unforeseeable product markets (Ashton, 1986, 64-5; Bosanquet & Doeringer, 1973, 423-5; Grimshaw & Rubery, 1995, 115; Townsend, 1979, 647). Since the experience gained in the secondary sector is not regarded as relevant for

employment in the primary sector, mobility between the sectors is very limited (Sawyer, 1995, 46).

Segmented labour market theorists recognise that, in practice, the picture of a firm can look more complex than the dual theory suggests, as enterprises may operate in several industries with different characteristics. One particular approach to the conceptualisation of segmented labour markets thus argues that a firm's employment policy is influenced by the relevant industries in which it operates, but can also vary between different types of jobs. Hence, the situation has been accommodated in which, for example, a university will have different employment policies and working conditions for their professors than for their cleaning staff (Sawyer, 1995, 45-6).

There are still a number of problems with this analysis. Although much empirical research confirms the existence of various labour market processes which operate differently, the validity of the findings are questionable since the variables defining the segments are also the ones which are said to correlate with the segments (Treiman & Hartmann, 1981). Without independent evidence of the existence of the described labour market sectors, it appears that the theory inevitably had to find what it was looking for. Objections can also be made to the theory's view of the economic structure, which is presented in a one-sided perspective - only the motivations and actions of employers are taken account of (Chiplin & Sloane, 1974, 283).

When we look at the segmented labour market theory from a perspective which recognises gender inequality, other problems emerge, for example related to the concept of 'skills'. Dual labour market theory suggests that skill specificity, i.e. skills learned through an informal process of on-the-job-training, is a feature of the primary labour market. However, idiosyncratic skills can indeed be said to be a common aspect of secondary sector jobs, as the example of restaurant work, namely the place-specific team and communicative elements, can demonstrate (Grimshaw & Rubery, 1995, 115). Furthermore, any definition and measurement of 'firm specific skills' is fraught with difficulties, similar to those related to an assessment of 'skills' in general. We have seen that in evaluations of 'male' and 'female skills', it has been male work which was associated with skills, while the skill content of female jobs has tended to be downgraded, reflecting women's inferior socio-economic status in society (Grimshaw & Rubery, 1995, 115). But cultural values or prejudices have not been included as possible roots for the structure of a segmented

labour market. Occupational sex-typing does not play a role, although it may be phenomena like these which have made significant contributions to the occurrence of 'overcrowding', i.e. to the large number of women in a small and restricted set of occupations (Cohen, 1985, 4), which are usually of low status and low pay.

Finally, the argument that employers are reluctant to have women in the primary sector due to their alleged higher turnover rates seems very narrow. Not only is there contradictory evidence for the claim of women's lesser commitment to jobs (Grimshaw & Rubery, 1995, 119). But the causality of this explanation for women's high representation in the secondary labour market can also be questioned. After all, there is the possibility of an interrelation between the impact of employers' strategies and the experience and expectations of different labour force groups. It can result in 'feedback' actions with which groups of workers perpetuate their poor positions in the labour market (Grimshaw & Rubery, 1995, 120).

3. Conclusion

What insights into the causes of gender inequalities in pay have been gained from exploring the different approaches to the operation of the labour market? If it is accepted that the labour market is 'gendered', i.e. that women experience systematically unequal access to the resources distributed by the labour market, neo-classical theory contents itself with an explanation of rational choices made by employers and employees within that structure. This has been ruled to be an idealistic and prescriptive view, which is unable to account for the complex situations in which decisions by actors in the labour market are taken. Concerning ideas derived from other approaches to labour market issues, the following observations seem particularly worthwhile highlighting for the purpose of this thesis.

While human capital is required in most jobs, we have seen that there are systematic differences between the sexes in their acquisition of human capital. In the discussion of discriminatory practices, it was noticed that for a variety of cultural, social and economic reasons, women have been denied access to the kind of human capital obviously most valued, and leading to the best paid jobs. The 'crowding' of females in perceived low skilled, low paid jobs has been reinforced by women's disproportionate involvement in the private sphere, which limits their ability to participate in even those training programmes accessible to them (Phillips & Taylor, 1980, 80).

However, the remarkable coincidence between women's labour and unskilled labour cannot only be the result of discrimination and domestic obligations. Rather, skill distinctions must be seen in their historical context, and in connection with the traditional associations between skilled work and male work (Phillips & Taylor, 1980, 80-4; Humphries, 1995, 78). Of course, this does not mean that there is never any basis on which content of work can justify distinctions between the skills involved in men's and women's work.

"But the equations -men/skilled, women/unskilled- are so powerful that the identification of a particular job with women ensured that the skill content of the work would be downgraded. It is the sex of those who do the work, rather than its content, which leads to its identification as skilled or unskilled" (Phillips & Taylor, 1980, 85).

This recognition could be extended to other aspects of jobs which are usually included in job evaluations, and which prioritise 'male working-conditions' over female ones, the requirements of physical strength and manual dexterity being obvious examples here. Admittedly, different women's groups, especially in trade union organisations, have concerned themselves with the male bias in wage improving criteria and their weighting in job evaluation systems. However, little has been done to ensure a general levelling of earnings, which could be regarded as the most efficient strategy considering that it is mainly women's pay which constitutes the bottom of the wage hierarchy (Weiler, 1992, 215).

Feminists have pointed to the possibility that male dominated organisations have contributed to a development in which men could maintain their power in employment, as well as in the home (Humphries, 1995, 68). Here, the concept of patriarchy has been employed. While this concept does not equal a fully comprehensive theory of gender dominance, its aim is to go beyond the treatment of gender inequalities in the labour market as a by-product of merely economic factors and structures. The argument is that there are patterns of power alliances and interest intermediation, which have contributed towards women's disadvantaged positions, for example, in the labour market.

Traditional economic theory is unable to incorporate the impact of such alliances into its theoretical framework. The (consequences of) interferences by trade unions, employers' federations and governments in the market are regarded as imperfections, which ideally would not exist. As to segmented labour market theories, it seems that trade union support (or the lack of it) has often been seen as the mere outcome of the segmentation of the labour market. For example, few

workers from the secondary sector are said to be attracted to trade unions due to their high labour turnover. Other potential obstacles for women's unionisation are emphasised which are presented as being external to unions' influence. They are often a combination of the structure of the labour market (e.g. women's predominance in part-time employment and in the secondary labour market), and the responsibilities arising from women's role as mothers and housewives.¹⁴ Little attention has thereby been paid to union structures, goals, and strategies, which might foster inequality in bargaining power between different groups in the labour market.

However, the causal relationship between the secondary labour market and unionisation is not at all evident. It is quite plausible that the causality works in a reverse way to what was outlined above, to the effect that trade unions can be accused of having done little to accommodate women's needs, to facilitate female membership and encourage active participation. Trade unions may thus have played a role in the segmentation of the labour market. In fact, the argument has been advanced that trade unions have functioned as vehicles of exclusion for the privileged labour force. Beechey (1978) advocates an analysis of dual labour markets which looks much more carefully at the role of male trade unionists, and their attempts to defend the privileged position of men from the threat of the potential 'reserve army of labour' constituted by women. Blackburn and Mann (1979) also attribute a more offensive role to trade unions. It is argued that they can guarantee stable employment, promotion and adequate wages only by exposing the disadvantaged labour force of the secondary labour market to even more competition (Blackburn & Mann, 1979, 303). As a consequence of securing men's relatively favoured positions, unions can at least partly be made responsible for the segregation of the workforce (Armstrong, 1982, 30).

Historical evidence of male domination of women shows that trade unions, as well as other male dominated organisations, prejudiced employers and the state have practiced various forms of excluding women from economic opportunity. Trade

¹⁴ Among the factors which Morris (1983, 6) lists are the facts that women make up the vast majority of part-time workers where wages are typically low so that union dues seem high; women's length of service, i.e. the fact that women enter and leave the workforce more frequently than men due to home and caring responsibilities. Joining a union then seems a pointless undertaking; women's employment, together with 'their' work at home, and 'their' child care duties in the evenings make the attendance of meetings virtually impossible; more women than men work in small workplaces where employers can convey to their employees that it would be disloyal to join the union; women's work is concentrated in the less skilled (secondary) sectors where, particularly in times of high unemployment, women can be replaced quite easily should they insist on higher pay.

unions in the 19th and the beginning of the 20th century tried to exclude or restrict women from certain areas of the industry altogether, or at least to confine female activity to unskilled jobs. While state legislation similarly limited women's access to employment, from the last quarter of the 19th century, unions tended to use grading and segregation as their response to women's paid work. Walby (1986, 244-6) asserts that these patriarchal relations in combination with capitalist forces can partly be held responsible for the gendered pattern of employment. With each round of changes in the industrial set-up brought about, for example, by technological innovations, sex-typing of employment became newly fixed, building on existing foundations of segregation.

However, generalisations about these agents and their interest pursuits are not always empirically verifiable, but may have changed over time, and in different social contexts. Trade unions differ fundamentally in their outlooks, goals and structures. We would expect the extent of inequality among the workforce to be smaller where unions pursue more universal -rather than sectional- interests, and where devotion to ideology is more prominent than devotion to business unionism (Esping-Andersen, 1990, 29). It is also true that some trade unions have articulated a stronger interest in gender equality than others. Similarly, governments have shown concern about gender inequality, for example, by intervening with Equal Opportunities and Equal Pay legislation. The effects these policies have on the power relationships among groups in the labour market hinge on various elements, the problem of enforcement being only one of them. Arguably, equal opportunities policies have never been given a fair chance with the Equal Opportunities Commission being underfunded and relatively powerless in the face of the resistance on the part of management and organised labour (Lee & Loveridge, 1987, 201). Still, it is undoubtedly the case that these kinds of policies have gone some way towards helping women to resist discrimination in a number of cases.

One of the most noticeable changes which has occurred in recent years is the high rate of increase of women in professional and managerial occupations. Taking into consideration that women's qualifications have improved and are improving, such a change could be expected, and can be regarded as an enduring phenomenon (Crompton & Sanderson, 1990, 165-6). Despite this progress, the segmentation and segregation of the labour market is still intact, and women at higher occupational levels constitute a minority. This state of affairs is likely to continue for at least the next decade (Crompton & Sanderson, 1990, 166).

However, maybe the actual number of highly educated and qualified working women is less of significance than their impact on the overall structure of material advantages and disadvantages (Crompton & Sanderson, 1990, 166). Evidence shows that the earnings situation of 'dependent' working women has indeed improved, but this is only true for non-manual workers. Increasing inequalities have thus occurred within the female working population, bringing to the fore the diversity which exists in women's employment experiences.

Using the 'full-wage level' as a yardstick, i.e. the wage level at which the job holder would be able "to take sole responsibility for maintaining an independent household" (Siltanen, 1994, 77), the following result can be discerned: the situation of non-manual female workers has improved over the past years, rising from 50% in 1979 to 57% in 1987 of those earning a 'full-wage'. By contrast, the conditions have deteriorated for manual women, decreasing from 29% of full-wage earners to 22% over the same time span (Siltanen, 1994, 112).¹⁵ Alongside the increasing inequalities amongst women earners, men's earnings capacities continued to be higher, despite the decline in the presence of full wages over the decade: "87% of men earned full wages in 1979 and 78% did so in 1987" (Siltanen, 1994, 114).

With these developments in mind, it is interesting to consider Hakim's (1996) claim that sex differentials will eventually disappear at the top of the occupational order, while continuing to exist within the secondary labour market. Here, she attributes most importance to the heterogeneity of women's choices concerning homemaking or employment career. Women in 'top jobs' increasingly adopt male employment patterns.

"Women in senior grades have invested in qualifications, work continuously and full-time, are as ambitious and determined as men, are concentrated in integrated or male-dominated occupations and have high earnings" (Hakim, 1996, 208).

By contrast, in the secondary labour market, sex differentials relating to attitudes and behaviour are said to remain. Women here

"fail to utilise any qualifications they may have, choose jobs for their convenience factors and social interests rather than with a view to a long-term career, are concentrated in female occupations and have lower earnings" (Hakim, 1996, 108).

¹⁵All earnings included in these calculations are for full-time employees on adult rates (excluding overtime pay) whose pay remained unaffected by absence; the 'full-wage' levels are calculated for a one-adult household, and were at £58.37 in 1979, and at £127.12 in 1987 (Siltanen, 1994, 113).

In short, the core of Hakim's argument is that women choose the nature and pattern of their labour force participation, so that differences in women's employment statuses reflect differences in their choices (Crompton & Harris, 1997, 5). With her strong emphasis on the voluntaristic and rational-choice aspects of women's economic behaviour, Hakim may not only underestimate the structural constraints within which women make their family and employment 'choices' (Crompton & Harris, 1997, 6). By so obviously favouring the male employment pattern and women's rejection of domestic commitments, she also appears to have left little room for discussion of how to make public and private obligations more compatible for men and women, and how to solve the problem of low pay and unfavourable working conditions at the bottom of the occupational hierarchy.

In fact, few attempts have generally been made to address poor job evaluations and the absence of career structures in women's jobs. The segmentation of the labour market, fed by technological and economic forces, and structured by certain power-relationships, is probably part of the explanation for the difficulties women face when trying to better their positions. Interestingly, whereas in the literature most of the factors associated with pay levels are issues of vigorous debate -including the role of discrimination, human capital, and the social construction of female characteristics- this seems to be less the case when economic and industrial constraints are presented as the basis of inequality. While all other elements are often considered malleable, certain technological and economic factors are likely to be treated as given, even by the political left. Hartmann and Treiman's statement is indicative:

"It must be recognised that in our economy not everyone can have a 'good', high paying job. Our economy generates low-wage jobs as well as high-wage jobs. Attempts to prevent their being filled in this country may simply result in the exportation of low-wage jobs." (1981, 66)

In view of the Swedish example, this statement has to be assessed with scepticism. In Sweden, the solidaristic wage policies pursued by trade unions since the early 1950s is said not only to have led to a relatively equal wage structure where workers with higher wages refrained from pushing their wage claims in favour of low paid workers. Simultaneously, a more favourable industrial structure was generated, as the policy would aid firms with high productivity at the expense of those with low productivity (Erikson, 1990, 247-265). With this approach, a relatively high wage structure could be maintained. So while the example suggests that the industrial structure does matter for earnings distribution, a strong job

hierarchy is not necessarily an intrinsic part of such a structure. In Sweden, the role of trade unions and workers as agents to prevent the exclusion of the most vulnerable was crucial in this respect. Indeed, since women predominate in low paid jobs, they could benefit particularly from the campaign against low wages, which was consciously combined with one of anti-discrimination (Eyraud, 1993, 45). However, while this empirical evidence may counter the claim of the inevitability of low wage jobs, it has also been suggested that the capacity of a country for 'solidarity' is linked to its economic policy options - which can be illustrated with the recent developments in Sweden (Esping-Andersen, 1990, 188). Esping-Andersen (1990, 188) argues that a combination of forces led trade unions to change their traditional policies in the '70s and '80s, to the effect that business became estranged, and the once universally agreed upon objectives put at risk.

Less comprehensive approaches than the Swedish have assisted attempts to achieve equal treatment for women and men. Generally, centralised wage-fixing systems have facilitated the implementation of the principle 'equal pay for work of equal value' by preventing the possibility of strictly confined bases of comparisons, such as to one employer, or even to one establishment. The system has thus constituted a safeguard against abuse from employers, who may want to specialise production with the effect that female workers dominate those establishments in which wages are lowest, and where no possibility of comparison can be made (Eyraud, 1993, 44-45).¹⁶

It seems then that depending on the structure and objectives of social and economic institutions, they can either reinforce the process of labour segmentation, thereby functioning as vehicles of economic exclusion, or they can work against this phenomenon. Judging from empirical evidence, it is likely that in many cases trade union and government accept or even promote not only job segregation, but also poorly evaluated and rewarded female work. One prerequisite for changes in the area of wages would be a conscious effort to avoid types of job evaluation which aim at replicating the status quo, and instead use job evaluation as a means of achieving justice. If our objective is a just system of earnings distribution, then the difficult task will be to ensure that our vantagepoint is outside the structure which

¹⁶Admittedly, identifying cases of abuse is a delicate task, as we have to distinguish between a company's economic growth strategy, which is the responsibility of management, and their actual intention to discriminate (Eyraud, 1993, 45).

we want to evaluate, similar to the Rawlsian 'original position' and the 'veil of ignorance'.

The acceptance of such a suggestion critically depends on whether we agree with what has been the main contention of this chapter: earnings inequalities are not based on any 'objective' criteria, but are socially constructed at each point which can be regarded a determinant for earnings. Before entering the market, social and cultural factors influence whether individuals will obtain particular market capacities or be denied this opportunity so that, to a large extent, a person's position in the labour market is predestined. At the stage of having entered the labour market, evaluations of jobs lack substantive criteria, so that the pattern of earnings tends to reflect the general pattern of power relationships in society. In other words, earnings inequalities have self perpetuating, but (literally) man made characteristics, and what is created by human beings can be altered by them. On the basis of this recognition, our concern should be to redress the situation in which

"from the moment almost of birth, attitudes to the social structure are conditioned by pressures in which the ideal of social justice plays little if any part" (Runciman in: Goldthorpe, 1969, 37)

It is moral considerations of earnings determination, including the ideal of social justice, which we shall explore in the chapter which follows.

CHAPTER 3

DISTINGUISHING BETWEEN DIFFERENT GROUNDS OF EARNINGS INEQUALITIES

Whenever we try to construct justifications for differential treatment, we will deal with moral considerations which vindicate inequalities. It is the aim of this chapter to distinguish between different grounds of moral considerations in the justification for certain earnings levels. Five principles will be examined in particular: 'need', 'desert', 'achievement', 'utility' and 'entitlement'.

The meeting of needs can be regarded as a principle in its own right, as well as being linked to meritorious notions. In the meritorious case, the claim is that only once we are above the baseline of needs where some degree of autonomy can be acquired does it make sense to judge our moral choices. The two meritorious concepts which will be dealt with in this context are 'desert' and 'achievement'. The latter approach allows for a wider range of so-called meritorious characteristics of workers than the desert principle, which excludes 'non-deserved' characteristics. Partly due to its relative complexity and the fact that 'justice as desert' has more distinguishing and controversial factors which require discussion than other criteria, most space will be dedicated to this principle. Its distinctive features can also usefully be contrasted with the characteristics of other principles, thereby clarifying differences. This is certainly true for 'entitlement' as well as 'utility'.

'Entitlement', or 'procedural justice', can be contrasted with meritorious principles since all emphasis is on the application of pre-defined rules. Therefore, the morality found in desert and achievement principles, which evaluate people's choices and actions, is missing. We can also recognise clear differences between meritorious justifications of earnings inequalities and 'utility'. One of the distinguishing features here is the perspective taken: meritorious principles are always backward-looking, assessing what has happened in the past. By contrast, utilitarians are interested in the implications of some activities, and are thus future oriented. Let us look at these five principles in detail, and consider their implications for the research.

1. Needs

'Needs' are often distinguished from wants by egalitarians, who claim that needs put other people under an obligation to meet them. The community must take notice of needs, but there is no corresponding obligation to meet somebody's wants. In this way, needs are seen to confer an entitlement or right. What precisely distinguishes needs from wants is regarded as depending on the judgement of the community (Brown, 1991, 485).

The struggle for a family wage can illustrate the ideal of having the family's needs met by earnings. This ambition originates in the 19th century, when the working class hoped to establish a wage floor at a time of an unregulated labour market (McEwen Scott, 1994, 41). Discussions about the family wage have usually entailed a bias in favour of the male breadwinner and the female dependent, and it has been argued that in the 19th and 20th century, trade unionists demanded a family wage for men workers, as well as the relative exclusion of women from paid work (Walby, 1986, 105).

While such phenomena are perhaps less prominent today, it is certainly recognised that individuals' needs fluctuate substantially (Alves & Rossi, 1978, 147), albeit not necessarily along the gender dimension. Moreover, with the development of the Welfare State, it is not only paid work alone which is seen to fulfil the task of meeting needs. Few people would regard it as reasonable to distribute earnings according to the different quanta of needs which exist in a society. At the same time, we would certainly not want to state categorically that needs measured, for example, against the yardstick of the subsistence level for an individual in a given society, should never enter any considerations when basic earnings levels are set. Indeed, 'fair pay' has in practice often been connected with notions of a 'reasonable standard of living', and the minimum wage with the satisfaction of minimum physical and social needs (Wootton, 1974, 9; Vaughan-Whitehead, 1995, 25).

The importance of meeting needs has also been discussed as a necessary concomitant of other moral considerations, namely when people's actions are to be evaluated.

"Action presupposes that individuals are capable of deliberation and choice, forming plans of life and the desire to live in the light of particular views of human flourishing" (Plant, 1991, 203).

In other words, in order to make moral agency possible, some degree of autonomy is required, which presupposes the meeting of needs. Little opportunity exists for somebody to deliberate about his or her possible choices of action or plans of life if physical needs are at the centre of this person's concern. And even if little agreement could be found on what exactly constitutes basic needs, the conception of which will largely depend on our moral outlook, it appears impossible to ignore the fact that in order to be a moral agent, the satisfaction of certain needs is required (Plant, 1991, 203-4). Only then can individuals be held responsible for their choices to which proper respect is due. And only then is an assessment of such choices meaningful (Campbell, 1988, 156-7), so that we can talk about somebody's 'merit' in relation to pay and other rewards.

2. Meritorious grounds

Once we concern ourselves with an assessment of people's merit, we inevitably engage in value judgements, because meritorious features are by definition 'good', and invite admiration. The meritorious thesis therefore connects justice with the unequal worthiness of human beings. We are likely to refer to those properties of persons which makes it reasonable for us to praise or blame them (Campbell, 1988, 34-5; Zaitchik, 1977, 370). While it can be assumed that people differ in their meritorious characteristics, considerations of treating them 'justly' still requires that people's equal worth as responsible agents is recognised, and that consequently, they and their choices deserve equal concern (Campbell, 1988, 34-5). There are three features which have been emphasised in particular in the context of desert theory. They can also be attributed to the other meritorious approach we are dealing with, 'achievement'.

First, an assessment of somebody's merit is always *person-oriented*. While factors such as 'the open market' (for example, 'scarcity rents') or 'public need' may influence wages, they can not be about the merit of the worker, but are external to this concept. Second, the concept of merit is *value-laden*. To state someone's merit but argue that there is nothing good about it would be inconsistent. Third, desert considerations are always *past-oriented*, since we are evaluating actions which have already happened (Sadurski, 1985, 116-8). Beyond these three points, there is room for divergence between 'desert' and 'achievement'.

2.1. Desert

2.1.1. Establishing an equilibrium

It is a distinctive feature of desert theory to claim that desert, in as far as it relates to justice, always involves conduct which is burdensome in some respect. One proponent of such an approach, Wojciech Sadurski (1988), therefore emphasises 'effort' (rather than results) as the measure of desert. He sees the objective of desert in compensating people for their effort expended in burdensome tasks, thereby establishing some form of *equilibrium*. He takes into account the conditions under which individuals act, the degree of unpleasantness of a job (for example, physical conditions and mental stress) as well as risks and opportunity costs. How does 'equilibrium' differ from other aims, such as 'equality' -employed by Feinberg (1973)- or 'equivalence'?

While the three concepts have in common the objective of compensating people for their 'good' actions, they differ in their assumptions of what 'compensation' should consist of. Let us imagine an onerous job plus economic compensation and a pleasant job without it. In this case, it seems that we can only argue to have brought somebody back to a position of equality or of equivalence if we assumed that money can somehow be compared with 'units of unpleasantness' of a job. Only then can a person in a burdensome, well paid job be said to be equal to somebody in a pleasant job with less pay. But it is certainly dubious to assume, for example, that a miner's job plus some extra financial compensation equals that of a teacher without such compensation (Sadurski, 1985, 102).

Sadurski (1985) argues that the two concepts can still be rendered intelligible. After all, they seem to grasp well our moral intuition that it is just to compensate somebody for deprivations or burdens of some kind. But 'equality' or 'equivalence' are too narrow in their insistence on financial compensation only. Their connotations are different from the concept of 'equilibrium', which implies that remuneration is not seen in an exclusively material sense, but that it comprises material benefits *and* pleasant features of jobs. Hence, the fact is taken into account that some aspects of jobs have their own intrinsic rewards, and that these have to be set against burdensome features of work, which need to be recompensed (Campbell, 1988, 172). It is not presumed that the only way of making jobs more attractive is via increased pay. The theory can thus encourage a critical look at the nature of jobs and lead to changes in the tasks involved, for example, by rendering

them safer or more interesting, thereby reducing the score on the 'burden' side of our balance sheet.

In other words, according to desert theory, what is required for a claim that a situation is unjust is a presupposed balanced situation, a baseline, against which judgements of injustices are made. Such claims can then imply that corrective action should follow.

"Desert fulfils this dual role, not by proposing a baseline of strict identity of situation, but by erecting an ideal proportionality of desert, positive and negative, to experiences, good and bad, with the implication that, other things being equal, differential treatments should be instituted to achieve and restore that proportionality" (Campbell, 1988, 156-7).

Sadurski attributes to desert three characteristics in particular. He first lists negative liberties, and second positive liberties, which include the meeting of needs. Both types of liberties can be regarded as prerequisites for individual agency and action, the elementary conditions of self-realisation. Third, and maybe most importantly for our purposes, 'social equilibrium' is defined in relation to work, effort, action and sacrifice. Benefits, or 'receipts' for a person from an exchange, are to be equivalent to contribution, a person's 'outcomes' equal to his or her 'inputs' (Sadurski, 1985, 105). The idea of a proper proportionality of burdens and benefits notwithstanding, central to the concept of equilibrium is not so much that an individual's burdens should be exactly equivalent to this person's rewards. Instead, it is suggested "that the balance of benefits and burdens in each person's life should be equivalent to the balance in the lives of other members of the same society" (Campbell, 1988, 166).

While most people who would wish the merit of an individual to be recognised in the distribution of resources would probably agree with the general idea of compensation on the basis of burdensome work, another crucial aspect to desert theory as propagated by Sadurski could be more controversial.

2.1.2. Natural and social contingencies

The notion of 'effort' as an important component of desert theory requires closer examination. Sadurski (1985) argues that if desert is considered through the prism of balancing benefits and burdens, then effort necessarily becomes the only acceptable measure of desert. This conclusion is derived from the fundamental principle that natural abilities are to be regarded as irrelevant in considerations of

desert so that all effects of natural contingencies and accidental social circumstances are nullified (Sadurski, 1985, 109). It is admitted that in reality, it is hard to establish to what extent effort can be said to be due to innate abilities. Still, some desert advocates propose that in ideal justice, differences in natural assets should not be translated in differences in rewards. This is a premise also found in other theories of justice, which have, however, used this point to argue against the desert principle.

Sher (1979) deals in particular with the premise of Rawls's argument that nobody deserves advantages arising through their talents or abilities, since native talents and abilities to exert effort are not deserved:

"It seems to be one of the fixed points of our considered judgements that no one deserves his place in the distribution of native endowments, any more than one deserves one's initial starting place in society. The assertion that a man deserves the superior character that enables him to make the effort to cultivate his abilities is equally problematic; for his character depends in large part upon fortunate family and social circumstances for which he can claim no credit. The notion of desert seems not to apply to these cases." (Rawls, 1971, 104, in Sher, 1979, 361)

Sher concludes that if these premises were correct as well as Rawls's contention which follows from them, that no one deserves the advantages achieved with natural endowments, then personal desert cannot play any role in a theory of distributive justice.

This can be judged to be an overambitious argument and could be reformulated in comparative terms. In fact, it seems that the Rawlsian contention leaves room for personal desert in instances in which everyone has equivalent sets of basic abilities. It is only when these abilities are unequally distributed that Rawls's argument is left intact. Hence, what needs to be examined is whether and to what degree people's abilities vary systematically and in significant ways. Here, we can focus on the ability to exert effort and search for grounds on which people can be said to differ in it.

Let us consider the example in which "*M* applies himself assiduously to whatever task is at hand while *N*'s effort are interspersed with evasion and procrastination". (Sher, 1979, 367-8) In this example, we may argue that *M* must have as much ability as *N* (*N* must have *some*, as he tries sporadically) *plus* some additional ability. How else can *M*'s additional industry be accounted for?

"Although this argument may have some initial plausibility, a closer look reveals its weakness. If we are going to infer superior effort-making ability *directly* from *M*'s additional industry, then we will have to do so on the basis

of the more general principle that no one is capable of making any more effort than he actually does make" (Sher, 1979, 368; own emphasis).

This is certainly an untenable assumption. After all, there is the possibility that a person may not be inclined to invest maximum effort in some cases. We can imagine many goals, desirable as they are, which would not necessarily be worth the effort required to attain them. We can also imagine the existence of competing or conflicting goals. So we may want to distinguish between the *possession* of the ability to exert effort, and the *exercise* of that ability. On the basis of this distinction, the difference in *M*'s and *N*'s effort can be understood without presupposing a difference in effort-making ability (Sher, 1979, 368). Arriving at this conclusion, we can still not argue that *in principle*, the possibility of differences in the ability to exert effort can be excluded. The claim is that we cannot see them as a logical consequence of visible differences between efforts, because we cannot assume that all of us are always equally interested in, and attentive to, the same goals (Sher, 1979, 368-9). While the possibility that effort abilities can vary is still not discounted, there is a special characteristic which can be attributed to 'effort', and which distinguishes it from categories such as 'contribution' or 'success'. Zaitchek (1977) advances that

"[w]hereas success can be grounded in effort, there is nothing more basic than effort on which the latter could be grounded, in virtue of which it could be deserved. Effort, then, is in some sense a basic or ultimate ground for deserving" (p. 376-7).

Because of its basic nature, the ability to exert effort will include most people, since most of us can make some effort, even if reduced to trying to do well.

Of course, the argument that people may have different aims and that on the basis of the choice of particular goals (for example, work as opposed to leisure), judgements can be made about somebody's desert, is only tenable if people can be attributed some measure of 'free will'. The very idea of desert -based upon intentional action- presupposes that we have some kind of control. Trying to avoid getting embroiled in contemporary controversies over 'determinism' and 'free will', it may suffice here to refer to experiences in everyday life, which support the idea that we have at least some free will. There is nothing which could strike us as improper in the statement: "I could have done otherwise". As Sadurski (1985) puts it

"Experience suggests that there is a whole range of human actions and behaviour, from those where we have virtually no choice (or, even if we have

a choice, one of the alternatives would be so destructive that it is *de facto* excluded) to those where our course of action is a result of deliberation taking into account and balancing all pros and cons of possible alternatives in which case we feel that in the final analysis, it was our free decision that made us act one way rather than another" (p. 133).

So at least to some extent, our actions can be said to be an expression of 'free will'.

It can be argued that some aspects of 'desert' as a principle of distribution underlie the techniques of job evaluation. At least in its analytical form, job evaluations deal with problems of comparative equity in wage determination, which we can interpret as 'proportionality of desert'. The aim consists of ensuring equal pay for jobs which demand roughly equivalent sacrifices from their holders, and to compensate properly those jobs which are accompanied by greater efforts and hardship (ILO, 1960, 1-5). However, it is unlikely that such evaluations would be based on the view of effort as proposed by Sadurski.

2.2. Achievement

In practice, merit is often given a broader content than in the outlined desert theory, and construed as *ability plus effort* (Daniels, 1978, 207). But even if the use of natural and social assets in the pursuit of welfare is allowed for, some constraints might still be applied. For example, Rawls argues in favour of constraints when the use of those assets fails to benefit the worst off (Sterba, 1986, 6) - a claim which amounts to a functional perspective. In fact, it can sometimes be difficult to draw a clear line between the utilitarian and the meritorious approach which includes talents in distributional considerations.

This can also be illustrated with Sen's (1973) point that a merit oriented system which allows for higher earnings for naturally talented people, and thereby less for those without talents, is culture specific. He observed that "merit is a bit of an accident not only in its origin, but also in its being treated as merit" (p.105). The following example is provided:

"While many of us may be content to live in a society which values the ability to lecture more than it values, say, the ability to make loud, shrill noises by blowing sharply through one's nose, we might be perfectly able to give long lectures about possible societies in which the latter quality would be the more desired virtue" (Sen, 1973, 105).

It can certainly be imagined that the differences in evaluation arises due to the perceived usefulness of the two abilities mentioned. Daniels (1978, 210) argues

explicitly that merit cannot be derived from abilities themselves, but only from their social function. The reason for us to focus on relevant abilities is due to their utility. However, he points out that his notion of merit is a particular one, as it is derived from productivity considerations, and that it should not be confused with what he refers to as ordinary uses of merit (Daniels, 1974, 210; 222).

So we may want to maintain the useful distinction between meritorious notions and utility: in the former, the point of reference for earnings consideration is the individual and his or her meritorious traits. While the result of somebody's work can be included as a measurement of those characteristics, the *function* of this result will be regarded irrelevant in our usage of the concept of merit and its related notions.

It is interesting in this context to reflect on Marx's approach to the distribution of resources, which can be classified as meritorious. With his theory of exploitation, he argues that labour as the ultimate source of all value deserves the right to the whole of the net produce (Sen, 1973, 101). The claim is that the proletariat should possess, enjoy and dispose of the wealth since they created it, and this part of the approach can certainly be better understood in compensatory and meritorious than utilitarian terms. Concerning the distribution among workers, the idea of 'each according to his ability' was to be applied in socialist society. Since a connection was made between ability and contribution, there was the need to identify what individuals' contributions comprised. Marx's writing does not provide much information what specific distributional consequences should arise from this.

Contribution has also been referred to by Feinberg (1973) as the meritorious principle of distributive justice. According to his interpretation, each worker would get back "exactly that proportion of national wealth that he has himself created" (p. 114). There are practical difficulties in separating out causal factors in the generation of national wealth. Feinberg argues that it is not only difficult to measure people's relative contribution to social wealth, but there are also factors which cannot be attributed to any assignable individuals, such as uncreated natural resources or efforts of people now dead. Yet these may be central for explaining increments in social wealth (Feinberg, 1973, 115-6). The situation can be transferred to an employment situation in an enterprise, where contributors would get paid according to their productivity (Dick, 1975, 261) - a controversial indicator of their meritorious value.

Even if we accepted contribution or production as the best indicators of somebody's merit in a world where we will hardly find 'perfect' ways of measuring the possible merit of people, it still is the case that these concepts have been used only in reference to actions which take place in employment. They are therefore too narrow to include possible achievements which took place before the market, such as educational qualifications or skills. We have seen that neo-classical theory uses such characteristics as proxies of productivity, and it appears that in the context of our study, the concept of 'achievement' can perhaps best encompass what does not fit desert theory or the principle of contribution. With achievements, we can refer to pre-labour market activities, such as education, and regard them as meritorious, perhaps because we appreciate that somebody possessed certain talents, *and* made use of them. It seems that unless the rationale behind the inclusion of qualifications and skills usually found in collective agreements was interpreted in utilitarian terms (for example in the context of creating incentives for people to acquire those), the achievement principle is the other possibility to account for this. Of course, achievement can also refer to the quality of performance in employment, for instance, to somebody's productivity, for which people want to see due rewards, no matter whether such productivity originated in talents only, or in a combination of talents and efforts.

3. Entitlement

The morality of the meritorious approach can be contrasted with 'entitlement' or 'procedural justice'. Rawls's 'pure procedural justice' which he illustrates with betting and other forms of gambling can show that, as opposed to desert, entitlement is of a non-moral, non-just nature. In pure entitlement, there is no independent criterion of the just result. "Instead, there is a correct or fair procedure such that the outcome is likewise correct or fair, whatever it is, provided that the procedure has been properly followed" (Rawls, 1972, 86). In this context, it is striking that Rawls refrains from using the adjective 'just', and rather adheres to notions of fairness, as for example in 'fair bets', 'fair conditions' and 'fair distributions', which are said to arise out of these procedures. True, there certainly seems to be something odd about the concept of 'just gambling', even if 'justice' was confined to the procedure. While we expect that certain procedures are followed properly -in gambling as much as in other social practices- we perhaps would refrain from evoking concepts of justice in an appeal for keeping a certain procedure.

“An appeal addressed to a croupier in a casino: ‘Be more just!’ sounds out of place; he is not in the business of being just, his duty is to see to it that the whole game is carried out according to the rules” (Sadurski, 1985, 50).

So no matter how arbitrary and bizarre procedures of a game may be, if agreed upon and properly carried out, the results have to be respected. It is then not the purported ‘justice’ of a procedure which compels us to follow its rules, but the fact that we have volunteered to participate in the game. As a corollary of this, ‘procedural justice’, if reduced to the strict application of general rules of procedure, means the principle of consistently enforcing valid rules (Sadurski, 1985, 50) out of which some *entitlement* arises (for example, the entitlement to the money won in a gamble), but can we call the distribution this entails a ‘just distribution’? This appears an inappropriate term because in order to make such judgements, we first would have to properly characterise what makes the outcome of a distribution ‘just’. ‘Pure procedural justice’ lacks a standard of justice of outcome and can thus not be regarded as a principle of justice (Sadurski, 1985, 50-1). So if we maintained (perhaps metaphorically) that somebody deserves a scholarship *for the exclusive reason* that she fulfils the established requirements for the award, irrespective of her choices and efforts, then this is a matter of entitlement, rather than of desert. Desert would not rely on any pre-existing norms or rules of distribution (Campbell, 1988, 152-3).

It can be argued that the neo-liberal approach to the distribution of resources resembles the principle of entitlement. According to neo-liberals, neutrality should be the regulatory principle of social institutions. Since everyone has their own conception of the good, everyone should be free to pursue that conception to the best of their ability. Therefore, social institutions should constitute a neutral arena in which each conception has an equal chance of success (Miller, 1989, 72). This is unlikely to happen, if, in Hayek’s words, everyone will “be made to fulfil a duty imposed upon him by somebody else” and where somebody will have to “make some unitary conception of relative merits or needs of the different individuals, for which there exists no objective measure” (Hayek, 1966, 611). Hayek provides market rules as a solution. The difficulty of searching for an agreement on any principles and objectives of distribution can be avoided. All we have to do once we agreed to participate in the market, and perhaps even profited from it, is to fulfil our moral obligation to abide by the results, no matter what they consist of (Hayek, 1966, 614). Despite the fact that people participate in this process on a different footing, the question of the justice of market outcomes does not arise. Entitlement

stands therefore in clear contrast to the meritorious approaches discussed. For different reasons, this is also true for the utility argument.

4. Utility

The utility approach can be described as a single principle morality, namely as the maximisation of happiness, welfare or utility (Plant, 1991, 141). The fact that it is future oriented brings out most clearly the difference between utilitarian and meritorious considerations. Utilitarian assessment is always linked to future usefulness, so if we argue that somebody deserves higher pay, for instance, because she is likely to increase her productivity with this incentive, then this is a justification on utilitarian grounds (Sadurski, 1985, 116-8). By contrast, person and past oriented principles of distribution are difficult to conceive of in any other way but as being of compensatory and meritorious nature. This can be illustrated by comparing desert theory with the Rawlsian difference principle, which -contrary to Rawls' intention- can be interpreted in a utilitarian way: the fact that the difference principle rules that inequalities are only just in so far as they are to the advantage of the least favoured (Rawls, 1972, 303) can allow for an inegalitarian, incentives-related interpretation. After all, it is possible to reconcile economic inequalities with the principle of justice through the prospect of increased efficiency, which -in absolute terms- may also benefit the worst off. This purpose could be termed 'advantages for all', or even 'advantages for the worst off' (Sadurski, 1985, 111-2).

The fact that the principle of efficiency is included in the difference principle, can be explained in part by Rawls's scrutiny of the *functions* of inequalities. This contrasts with justice-as-equilibrium, which looks at the *grounds* of inequalities. They are only just if they correspond to unequally borne burdens or benefits (Sadurski, 1985, 112). It has been claimed that due to the utility principle's aggregate goal of achieving the greatest quantity of good, there exists an antithesis of utility to justice. Some utilitarians would reject this assertion and maintain that justice has a place in utilitarianism as a subordinate ethical and political standard (Campbell, 1988, 123). For our purposes, we do not need to engage in this debate. Whether we accept or reject the claim that utility can be seen as a principle of justice, the important conclusion from this section is that we are able to sharply distinguish between meritorious principles and utility as grounds of earnings determination.

5. Implications for research

Five principles of earnings determination have been discussed. First, there was the principle of *need*, which could be seen as important in its own right, since we would often associate the acceptability of wages with some form of a basic living standard. Moreover, a close connection could be made between need and meritorious approaches. Since they are analytically linked to the idea of making choices and acting with knowledge and intention, conditions are presupposed in which needs are met, as only then are people able to manifest their differences in merit. With this principle, our point of reference in earnings determination is 'the human being', or more specifically, 'the woman', 'the man' or -as 'the living wage' illustrates- 'the breadwinner'. How much space the criterion of need really occupies in the consideration of wage levels is questionable and subject to examination. After all, once we move beyond the subsistence level requirements for an individual, needs differ manifestly, for example when a high number of dependants is to be provided for, or where needs of individuals are of a special nature. It is possible that in such cases, the meeting of needs is predominantly regarded the responsibility of public agencies, rather than of employers.

Second, there was the meritorious principle of '*desert*', which espoused the morally intuitive claim that "justice is incompatible with the rule of dumb luck" (Sadurski, 1985, 275). The argument is that if we lack control over our circumstances, we do not deserve anything that results from this situation (*ibid.*). Since justice as desert is of an 'ideal type', and since we know about 'ideal typologies' that they hardly ever apply in practice, let us think about the relevance of such a theory for our research.

There are obvious practical constraints which have to be dealt with. If we accepted that the measure of job evaluation is most appropriate for judging the value of compensation required to balance benefits and burdens of a job, then we simultaneously allow for the categorisation of work(ers). This excludes attention to traits of individuals in so far as a *group of workers* will receive one type of compensation. Certainly, the aim of evaluating the exact meaning particular jobs have for different *individuals* in terms of effort invested, is an unrealistic ambition. So it is true that the case of A and B receiving the same extrinsic compensation while being in the same job could be incompatible with our theory if B perceives the work to be more burdensome than A. However, this does not mean that, in practice, we have to reject the widely held view that 'equal pay for equal work' is a just arrangement.

In practice, we have to resort to a rough-and-ready way of assessment, probably using average (instead of individual) tastes and typical situations as guidelines.¹⁷ So especially when considering Sadurski's claim that there is evidence that the vast majority of individuals in a society have similar ideas of what constitutes attractive and unattractive features of a job (Campbell, 1988, 172), it is reasonable to assume that persons in the same job perform a similar type of effort, and benefit from it in a similar way. It seems thus empirically wisest to regard 'equal pay for equal jobs' as the (imperfect) procedure which comes closest to our abstract ideal of rewarding each according to their balance of benefits and burdens. Across jobs, what we can do is compare efforts of different types (rather than of different people). We can rank them and compare them with the corresponding rank of standardised rewards (Sadurski, 1985, 143).

Of course, inequalities may be espoused on a number of grounds other than the deviation from 'justice as desert' as we have defined it. A third principle, '*achievement*', assumes that people do not perceive earnings as unjust where they are clearly related to natural or social advantages individuals may enjoy. For example, somebody with higher education will often be regarded as 'more deserving' than a person with basic education, and such criteria of human capital play indeed a crucial role in job evaluations. In both cases, 'desert' and '*achievement*', our point of reference for the calculation of just or fair pay are the workers: a group of workers deserves a certain pay level due to the balance of benefits and burdens their job entails; or they are owed due rewards on the basis of achievement.

Fourth, a concept which was argued to stand in opposition to meritorious criteria was that of '*entitlement*'. In theory, it is possible that people can focus entirely on the procedure of a distribution, and the entitlements which arise from this procedure. Some links were made between entitlement and the claim by neo-liberals that the distribution of resources should take place in a neutral way, so that the imposition of a certain objective held by some people on those with different goals and ideals can be avoided. Arguably, the market offers a forum for such a neutral distribution. In reality, it is unlikely that trade unionists or management would not play a

¹⁷ As expressed by Crosby (1982), "[i]t is generally easier to see that a group lacks what it deserves than it is to see that an individual lacks what she or he deserves, even when the individual is oneself. One may feel certain, for example, that a group of women deserves to earn the same amount, on average, as a group of men if the two groups are, on average, comparable. In the individual case, averages are irrelevant and, as a result, comparability is hard to achieve" (p. 95).

stronger role concerning the outcome of earnings determination. The fifth, and outcome-oriented principle, appears to have a better chance of being adopted.

'Utility' is the ruling principle when wage determination is to contribute to a favourable economic situation. As opposed to the principles of *'desert'* and *'achievement'*, where people's past actions are assessed, we are now forward looking. It is not important how individuals performed in the past, and whether this performance was based on *'effort'* or *'talent'*. Such indicators represent the grounds on which people's earnings are based, while utilitarians are concerned about the functions of pay.

What gender issues can be identified if we place the principles in the context of the discussion of the preceding chapter? With respect to the principle of *'need'*, the issue of the *'family wage'* is again of relevance. It has already been mentioned that the profile of *'the male breadwinner'* ideal has weakened over the past decades. It seems that today, the theme is discussed in less explicit terms, and is placed in a broader framework. Here, the concept of patriarchy can be referred to. Put simplistically, it implies that an alliance of powerful (male) groups contributes to a situation in which women experience disadvantages in all areas of social, political and economic life. The implications of this for the approach taken to men's and women's needs could indeed be similar to the *'family wage'* case. For men to retain their power in the economic and domestic sphere, women's financial dependency can be regarded as one prerequisite. The means of achieving this may not be as crude and overt as in the past, when it was commonly accepted, and even advocated, that it was appropriate for women to rely on their husband's income. However, we have seen in Chapter 2 that a range of possibilities exists which ensure (mostly in indirect ways) that women earn less than men. It is possible that the rationales behind this can also be attributed to assumptions about different *'needs'* for earnings, which men and women are deemed to have.

As to *'entitlement'*, a mere procedure distributing the goods people are entitled to cannot be evaluated in terms of gender-neutrality. We can only assess whether the procedure has been carried out properly or not. There is obviously much scope for a gender bias concerning the rules on which such a procedure rests, but this issue is not the concern of the entitlement criterion. Such rules are, however, important considerations in the *'utility'* and *'achievement'* approaches, and the possible gender bias depends on their design. For example, utility may be constructed in terms of productivity: those who are the most *'productive'* workers contribute most

to the economic welfare of the firm, and should thus get disproportionately high pay. If productivity was then measured by using 'human capital' as a proxy, evidence points to the likelihood that women's skills will be devalued (Chapter 2). Since variables like 'human capital' can also be used to represent the principle of 'achievement', similar consequences for a gender bias can be expected in this instance.

It appears that the scope for gender inequality is smaller when we turn to desert theory and its focus on effort. In principle, most of us can make an effort, independent of personal characteristics such as sex, 'race', age, or ability, and independent of the work area in which such efforts have been expended. But efforts also have to be seen in the context of the equilibrium of burdens and benefits. Here, we have to deal with the following question: is there anything inherent in the different jobs men and women perform which could make us believe that one sex systematically expends more effort, and engages in more burdensome and less rewarding work than the other? Hence, whenever the ideal of a 'just outcome' of earnings distribution deviates from pay equality between the sexes, the onus of proof would be seen to lie with the advocates of inequality.¹⁸ What are the constituents of 'male jobs' perceived to be which are so burdensome that their intrinsic benefits are not sufficient to permit a remuneration equal to that of female jobs? Or, on the contrary, what are the assumed high non-material benefits women receive from their work, which compare with their burdens in a way resulting into relatively low pay in order to achieve an 'equilibrium'?

The gender bias which may occur here can be expected to lie in assessments of burdensome components of jobs: it was shown in Chapter 2 that adverse aspects of women's working conditions are often given little attention in wage considerations. However, the fact that desert theory also requires us to consider the beneficial components of a job could have the potential to counter this discrimination to some extent. In many cases, typically female jobs with burdensome features (which have often remained unrecognised in material evaluations), such as repetitive tasks and alienation from the end product, would also rank very low if intrinsic benefits were taken into consideration. A relatively high extrinsic benefit would thus be in order. Still, in the absence of 'benefits' having played a role in job evaluations so far, it is difficult to make any predictions in this area, and there is also the scenario of a

¹⁸ The suggestions for research themes which now follow will, for the ease of writing, reflect my assumption that in the case of a stated preference for inequality, men will be favoured.

negative outcome. It can be envisaged that a disadvantageous evaluation of adversary working conditions mainly women are exposed to is likely to be accompanied by a similarly disadvantageous evaluation of benefits.

Hence, while some of the research themes derived from our theoretical grounds of earnings determination can firmly be linked with existing research findings in the respective areas, the relevance of other theoretical aspects have yet to be explored. Details about how the themes were operationalised into interview questions can be found in the next chapter.

CHAPTER 4

METHODOLOGY

This chapter explains the research strategies adopted in this study, beginning with the description of the research objectives. Following this, the choice of interview sites is discussed - namely the selection of the country in which this study was conducted and the industries included. Moreover, the composition of the sample is accounted for: reasons for the selection of management and trade union representatives (rather than employees) are provided, and the focus on the micro-level of industrial bargaining is explained.

Issues which surrounded the process of negotiating access to prospective interviewees as well as to documents are pointed out, before data collection issues are explored. The selection of a particular data gathering method, the semi-structured interview, is explained, and general interview questions are provided. Due to the fact that the interview schedule was loosely structured, and had to be adjusted to the different conditions in which firms operated, the interview questions listed in this chapter represent examples of a common interview procedure.

Much emphasis of this chapter is placed on the process of the data collection. Particular attention is given to the many issues surrounding the conduct of interviews as a cultural and linguistic outsider, which requires the involvement of an interpreter. In this context, there are discussions of the validity and reliability of the data, which can be affected by the background characteristics of the interviewing party, in particular in the light of a sensitive research topic. The chapter finishes by describing the methods employed to analyse the collected data.

1. Research objectives

Since methodological choices are defined to a great extent by research objectives (as well as practical considerations), let us first of all clarify the aims of this study. It was mentioned in the introductory chapter that a gap in the literature had been identified: where pay and employment in state socialist societies have been an area of concern, the gender dimension has hardly been addressed. What the literature

has emphasised, however, is that despite a much higher proportion of women in employment in Eastern than in Western societies, the scale of inequalities found between men's and women's earnings was comparable.

With one of the crucial tenets of this thesis being that the allocation and evaluation of jobs -and thus the resulting pay structures- are significantly influenced by social and cultural norms, the research aims were to elicit the nature of such values, and the extent to which they have entered earnings considerations. For this purpose, the plan was to explore rationales behind earnings determination by decision makers in the area of wage fixing, namely trade unionists and managers. Their evaluation of the factors which they thought had contributed to actual earnings levels was of interest, as well as their views on the criteria they ideally would have liked to see included in pay considerations. Thereby, the aim was to link unionists' and management's reasoning with the theoretical approaches to earnings determination as developed in Chapter 3. It was hoped that the theoretical perspectives could not only help to assess the opinions advanced in interviews, but that a feedback effect would occur, so that principles of just earnings could be modified in the light of the obtained data. Within all these objectives, our main focus was on the gender dimension, and it was this focal point which particularly influenced the choice of industries from which our cases were selected. The rationales behind the specific choice of interview sites and groups will be discussed in the next section.

2. Selection criteria

2.1. The location of the study

Former socialist societies seemed a very appealing option as a location for this study. Not only has so far little research been done on the value basis underlying earnings structures, which has come to replace the norms commonly found in socialist societies. Moreover, due to the need to reconsider job evaluations in the context of the 'new' economic system, it is certainly unlikely that this process could have passed by decision makers without them making judgements about the past and present situation. Their extraordinary experiences promised to contribute to especially rich data.

Practical considerations influenced the choice of Hungary, and here especially Budapest, as the location of research. The Department of Social Policy in Edinburgh

has entertained good links with the Institute of Social Policy at Eötvös Loránd University in Budapest. Due to the fact that Hungarian students and lecturers had visited the Edinburgh Department, I had some contacts in Budapest, who helped with some practical problems which arose, such as the need for office accommodation or access to a telephone. Furthermore, staff were involved in research on general employment issues, and could provide me with valuable academic advice.

2.2. The industries

It was suggested in Chapters 1 and 2 that in-built mechanisms in job evaluations tend to distinguish between 'male and female skills' and 'male and female working conditions'. A tendency exists that those working conditions to which predominantly women are exposed yield relatively little compensation. While this is true for most industries, certainly including the service sector, which is now expanding in Central and Eastern Europe, I decided to examine the 'traditional' industries. Here, trade union representation is long-standing, and job evaluations have a considerable history, so that we should be able to get some notion of the possible changes or the retention of values underlying earnings determination before and after the transformation.

Among the 'traditional' industries, there also existed the appealing possibility of including two industrial branches which *prima facie* seemed to stand in opposition to each other, not only in terms of their types of production, but also in relation to their gendered employment patterns: the 'light' and the 'heavy' industry. With this combination, there appeared to be a good chance of covering important aspects of 'men's' and 'women's work'.

2.2.1. *Women doing 'men's work': the 'light' industry*

There are examples of industries where women work in some sense in the 'male domain', i.e. they perform work under adverse working conditions which are usually associated with male jobs, such as physically heavy work. In most Soviet-type economies, employment which included these characteristics tended to be highly remunerated, which could partly explain the high earnings received by men working in the mining and metal processing industries (Redor, 1992, 166; Pulay, 1989, 102). However, the choice of these criteria did not seem to be willingly applied

when those working under hostile conditions were women, for example, in the textile industry. It has been argued that in Hungary, "textile work is amongst the heaviest employment in terms of workload and physical stamina required on looms and equipment" (Corrin, 1994, 73). Physically heavy work also exists in the clothing branch of the light industry where women have to lift heavy rolls of fabric. In many cases, work places dominated by females seemed to have been overcrowded and noisy; light was dim and the ventilation systems inefficient; the air often filled with smoke and dust; and yet pay was relatively poor (Corrin, 1992, 41; 1994, 73). This recognition runs counter to the common view that such jobs neatly parallel women's work in the home, which is then seen as a justification for low pay. Double-standards seemed to have operated when it came to the evaluation of what constitutes unfavourable working conditions in typically male and female work, and how heavy these should weigh in the determination of pay.

2.2.2. Women doing 'women's work': the 'heavy' industry

Cases can also be selected in which each sex works in 'their own domain'. Women engage in physically light work using their 'manual dexterity' while men do physically heavy work. Here, the metal industry lends itself particularly well to an examination of criteria used to evaluate male and female jobs. There tends to exist an obvious job segregation with men performing work which requires especially physical strength, and women involved in jobs suitable for workers with 'nimble fingers'. So while the highly valued criterion of physical strength can hardly play a role for female workers, what needs to be examined is to what extent those aspects are paid attention to in job evaluations to which women are predominantly exposed, such as nervous and psychological strain.

On this basis, the branches selected for our study consisted of textile and clothing from the 'light industry', and of the metal working branch from the 'heavy industry'.

2.3. The sample

2.3.1. 'Decision makers' versus 'decision takers'

Earnings inequalities and concepts of social justice related to them can be studied with various foci, and the question arises why one particular perspective is given

priority. There are certainly several feasible perspectives which can be used to illuminate our research topic. Looking at the possible values underlying a given earnings distribution, the views of actors in the labour market, for example, workers and employees could be ascertained by virtue of examining a sample of workers in particular pay brackets and trades. Another possibility is to look at opinions held by officials who have some influence on the working of the labour market. Since an inclusion of both groups, the 'decision-makers' and the 'decision-takers', would have been beyond the practical limits of a thesis, I opted for the decision-makers for the following reason.

While it is certainly possible that workers and employees can influence decision-makers with the manifestation of their attitudes, the concern with those people who are directly involved in earnings determination seemed more useful for our purposes. Their attitudes can be regarded as an indicator of the value-base on which the new pay dispersion rests, and as one -admittedly problematic- measure of the future development of earnings dispersion.¹⁹

In order to be able to select the most appropriate interview partners among the two group of managers and trade unionists, the relevance of the different levels of bargaining for the determination of earnings had to be taken into consideration.

2.3.2. The level of bargaining

Dealing with the question at what level of industrial relations it would be best to recruit interviewees from, the scarce amount of literature I could find in Britain seemed to be unable to give reliable guidance on this important matter. Therefore, I decided to carry out an exploratory study in Budapest for four weeks before embarking on the actual fieldwork. Knowing some names and addresses of trade unions, as well as a small number of names of academics and of the Universities they were affiliated to, I was able to make some contacts, and gradually obtained a clearer idea of the structure of industrial relations in Hungary. Simultaneously, I was referred to more experts in this area. After having conducted twelve interviews with academics, two representatives from the Ministry of Labour, trade union

¹⁹As Fielding (1993, 148) points out, attitudes are not generally a good indicator of action. Collecting information about people's attitudes can only constitute one part of any study aiming at predicting behaviour. However, it is certainly reasonable to assume that, for example, a commitment to changes to a more egalitarian pay structure by key officials in the labour market is more likely to lead to action to promote such a structure than indifferent or hostile attitudes by these groups.

representatives from the national trade union confederation (MSZOSZ) and branch trade unions, the following picture crystallised, which in the course of the research could be complemented by newly emerging literature:

All three bargaining levels, the macro, medium and micro, have had some influence on the determination of earnings. Macro level decisions have defined the bottom of the wage hierarchy by means of an almost universally applicable, legally binding minimum wage.²⁰ Decisions on the minimum wage have taken place in the framework of a tripartite institution, the Council for the Reconciliation of Interests (ÉT). On the governmental side, the main responsibility lies with the Ministry of Labour while the employers and employees are represented by their respective autonomous organisations. Entitlements of ÉT include the design of a basic wage classification system (Lajos, 1993, 11-13), which is, however, defined in very general terms. Furthermore, there are also recommendations for minimum and maximum wage increases (Ladó, 1994, 37).

At medium industry-level, collective bargaining is in a weak position. The 1992 Labour Code stipulates that agreements at this level can be concluded by a number of employers or employers' organisations, together with one or several trade union(s). These agreements can only be extended to the whole branch if the bargaining parties are genuine representatives of the industry concerned, and it is the employers' side which causes problems here. While employers may have been active in their attempts to influence economic policies of the government and are visible at the national level in tripartite negotiations, in contrast to the unions, they have underdeveloped -if any- branch and regional structures (Héthy, 1992, 173). As a consequence, not only is the number of collective agreements at the intermediate level small; but with the lack of organisation amongst employers, such agreements had to be concluded by ad hoc groupings of employers, i.e. by a loose group of individual employers, rather than by employers' organisations. Such 'multi-employers collective agreements' remain mere recommendations for firms in the relevant industrial branch (Berki & Ladó, 1995b, 209; Ladó, 1994, 40). Of course, for firms which have signed a contract, there can be mandatory arrangements. In the 1992 Collective Agreement of the textile branch, for example, overtime pay has been set above the level stipulated in the Labour Code, so that the branch unions can be

²⁰ The minimum wage as a universal institution was not introduced for all industries simultaneously. For example, certain sectors which were deemed to be economically too weak to adhere to the minimum wage, such as agriculture, have been allowed to follow a different time-table for the introduction of the minimum wage.

seen to have had a direct impact on earnings. Where this has not been the case, branch unions may have exerted indirect influence by drawing up guidelines for trade unions at firm level in their wage negotiations. Hence, including branch union representatives in the sample of interviewees could provide an important indicator for possible wage developments.

Generally, however, the firm level appears to have been of greatest significance concerning negotiations of industrial relations issues. Employers at this level have been compelled by provisions in the Labour Code to offer the opportunity of bargaining about wage-related issues annually (Ladó, 1994, 41). And although collective bargaining at enterprise level is not yet a general feature,²¹ where it is institutionalised, it seems to play a significant role (Berki & Ladó, 1995b, 213). It was for these reasons that the focus of the fieldwork was on the micro-level. Twenty two of the twenty six total interviews were carried out here, and involved thirteen firms; in addition, there were three interviewees from branch trade unions; and one interview was conducted with the representative of an employers' federation.

Concerning the status of the firms included in the study, it is important to note that in the context of the macro-process of marketization and the privatisation programme in Hungary, two phases have been identified. The first consists of state enterprises transforming into an economic association (i.e. a limited liability firm or share company), and the second phase comprises the partial or full sale to investors (Héthy, 1993, 3). Nine firms out of the thirteen in our survey still found themselves in the first category with the State usually holding between 51%-100% of the shares. Of the remaining four -all of them in the clothing industry- three had been privatised after 1989, and one of them had started private before the latest economic turn, and had always remained without union representatives.

So there is a bias in the sample of the firms in favour of (former) state firms, which are characterised by the presence of trade unions and even of collective agreements. It is thus difficult to assess in how far the data obtained is representative of other firms. However, this limitation in representativeness was off-set by a clear advantage: the collective agreements firms possessed could function as a framework of reference for interview questions, making it easier for interviewees to relate to them. In fact, representativeness is a common problem in social research,

²¹It has been estimated that 30-35% of enterprises in the competitive sector have concluded collective agreements (Berki & Ladó, 1995, 213).

as in few instances will we be able to select cases completely on a random basis, but rather choose those to which access has been allowed. There are ways of addressing this problem: in theory, we could try to collect information of similar studies which have been done with a comparable population, and compare the results there with our own (Silverman, 1993, 60). Obviously, this strategy seems not very promising for research currently undertaken in Central and Eastern Europe, as few studies suitable for the purpose of comparison will be available.

Generalisations can still be possible if this concept is understood in terms of theory. According to Bryman (1988), "the issue should be couched in terms of the generalisability of cases to theoretical propositions rather than to populations or universes" (p. 91). Following this line, the question whether the organisation of the firms in the sample is typical or not can be regarded as a lesser issue. What would be crucial, however, is whether views obtained from interviewees are typical of a certain phenomenon which is part of the theory. So we are able to argue, for example, that our interviewees' opinions relating to working conditions and their proper compensation were typical of the phenomenon that women's physical work is evaluated less well than men's. This applies at least where much of the status quo is explained by 'traditional arrangements' the legitimacy of which has remained unquestioned. But it would be the task of a new piece of research to investigate, for instance, how far this phenomenon extends to other establishments in which women and men work as professionals in their respective spheres, rather than as manual workers. In so far, our research might have produced a valuable hypothesis worthwhile testing in different environments.

3. Access to interviewees and documents

The study can be regarded as a case of semi-open access. The relative ease with which access could be negotiated to trade unionists and management of the industrial organisations indicates their relative openness. Only two of the fifteen directly contacted firms refused to participate in the study.²² However, one step was necessary before the negotiation process with the firms could be started: the key-holders of the names and addresses of those enterprises which fulfilled the criterion of having a collective agreement were the branch trade unions, so that I

²²This contrasts with the results obtained where firms were contacted by fax. Out of the thirteen firms which were asked for access through this means, only two replied, and one response was a rejection.

approached them first of all. The objective was to first arrange for an interview with the representative of each of the three branch unions which were included in the study, and then at the interview, to try to obtain a list of the firms which had concluded a collective agreement. Once the list had been received, enterprises could be contacted. However, details of this process and its outcome differed between the industries.

In the case of the *clothing branch* of the light industry, the process was smoothest, and the outcome most satisfactory. I was able to interview the branch trade union representatives after I had negotiated these meetings with administrative staff. The full list of the relevant firms, plus the name of their trade union secretary, could immediately be gained from the interviewee without any problems.

The arrangement of an interview with a *textile branch* trade union representative, helped by the German speaking officer for International Relations, worked as well as in the clothing case. However, when at the end of the interview, I brought up the issue of the names and addresses of firms, the interviewee insisted on contacting the number of firms required for the study himself, and then to inform me of the firms which had agreed to the interview. After some delay, I acquired the promised list which comprised the names of five firms, and the names of the two signing parties of each firm's collective agreement, i.e. a management representative, and the trade union secretary. Considering that all of the three companies I subsequently included in the study were characterised by earnings considerably above the average in the textile branch, as well as by very good relationships between management and trade unionists, there are reasons to assume that the selection of the firms was made with the intention of conveying a favourable image of the situation in this industrial branch.

In the *metal branch* trade union, the negotiation of an interview with the appropriate branch representative posed problems. Initially, I contacted a German speaking member of staff who five months before then, during my first study visit to Hungary, had taken the role of an interpreter in interviews with a group of staff. I hoped he would be able to arrange a meeting for me with the relevant person of his organisation. But this time, he was not so co-operative, and emphasised the fact that many of the staff of the union were involved in the preparation for a conference, and would therefore prefer not to deal with any interviews. He asked me to get in touch again at a later point. In three telephone conversations with him in the time span of three weeks, he claimed in each of them that it had been impossible for him

to speak to the very busy person who seemed a suitable interviewee, and who was involved in work with the Ministry of Labour. My attempts to receive from him the list of the firms who had signed a collective agreement also failed, as he regretted that he was unable to pursue this request. After the third conversation, he indicated that he would prefer not to be involved any more. He suggested that I could perhaps deal with the problem of the firms' addresses myself, by consulting the telephone directory for the phone numbers of some metal firms, and by asking whether a collective agreement had been concluded.

For obvious reasons, this suggestion had little appeal to me, not least because at that time, only about one third of the firms in the competitive sector had collective agreements at micro level (Berki & Ladó, 1995b, 212-3), so that his advice did not seem very efficient. I believed that the list of firms could still be acquired by approaching different people in the same organisation. Realising that the person with the greatest authority was extremely difficult to contact due to his work with the Ministry of Labour, I remembered the name of a French speaking woman, who was mentioned to me on my first encounter with representatives of this branch union. When I phoned her, she was very friendly, and immediately prepared to assist me. She suggested a date by which she hoped to be able to find what I was looking for, and we made an arrangement for me to collect the information. She also promised to arrange an interview with another official of this branch union, who had been involved in the design of the collective agreement. While this plan appeared to work well, and an interview appointment could be made, the list of firms with collective agreements comprised once again only a selection of firms. When I asked by what criteria this selection had taken place, the response was that there had been no specific criterion, apart from the geographical proximity of the enterprises, which were all located in Budapest or its suburbs. Although somewhat unsatisfactory, my choice of the enterprises for the interviews took place on the basis of this list of ten firms. This time, there were cases in which the relationship between unions and management were not so smooth, and particularly in one firm, both interviewees voiced their strong belief that the collapse of the firm was imminent. It is therefore unlikely that criteria similar to those which might have played a role in the selection of firms in the textile branch also defined the composition of the list of firms in the metal branch.

The actual negotiation of the interviews with management and trade unions at the enterprises usually happened via an interpreter, as hardly any of the interviewees spoke any foreign language, and my Hungarian was insufficient to carry out this

important part of the study. I carefully instructed the interpreter about how to summarise the aims of my research to the potential interviewees. I wanted to place the emphasis on the general aspects of the research concerning wage determination, and on the content of collective agreements in relation to remuneration. Hence, a central theme of the research, the gender dimension of wage differentials, remained undisclosed, and participants agreed to give interviews without knowing this detail. The reason for this withholding of information was partly based on the consideration that interviewees' knowledge of this detail would influence their statements especially at the beginning of the interview, in which questions were designed in a way to elicit interviewees' opinions on women's earnings *indirectly*, for example, by asking about the perceived importance of certain working conditions in relation to earnings. Moreover, there was the fear that the knowledge of this feature of the research could have made the potential interviewee feel on the defensive, leading, for example, to repeated attempts to explain non-discriminatory procedures at their firm.

This can best be illustrated with the example of one case, in which access to the firm was negotiated by a friend of mine from the Social Policy Department at Eötvös Loránd University. Because I had discussed my research with him in detail, and received helpful comments and advice from him, and because of his experience as a researcher, I did not see the necessity of instructions about my research aims when he offered to phone one trade unionist from a metal working firm in order to arrange an interview. However, because my discussions with him had mainly focused on gender inequality, this was, of course, the research aim he named to the trade unionist. The interview was initially rejected. It was argued by the trade unionist that in his firm, there was gender equality and it did not cause any problems, so that he did not think that his company was suitable for my study. It was only after I asked my friend to bring other components of the study into play, such as my interest in the collective agreement of the firm, that the trade unionist agreed to be interviewed.

While I would have preferred to have the strings of this part of the study completely in my hands, it is still possible that the method of negotiating access resorted to had some advantages. The fact that I, the researcher, was presented as a cultural and linguistic outsider to the potential interviewee could have made him or her more comfortable with the thought of an interview with me. I could not be associated with Hungarian officials, and with the control of the correct declaration

of wages at a time when it is known that many firms tend to underdeclare earnings in order to avoid paying a share of the taxes. It is likely that interviewees also felt in a stronger position informing a foreigner about the situation in Hungary than they would have done with a Hungarian interviewer, who may have been perceived as being more likely to challenge some of the interviewees' positions on the basis of their own life-experiences in the country, and probably greater familiarity with other experts and research related to my research issues. So in the end, I had obtained access to thirteen firms (a brief profile of which can be found in Appendix 1). Twenty three firm representatives were interviewed, as well as three branch trade unionists and one representative from an employers' organisation. The distribution of management (M) and trade union (TU) interviewees across the firms and their gender (m=male; f=female) can be seen in this table:

	Clothing	Textile	Metal
1	M (m) TU (f)	M (m) TU (f)	M (f) TU (f)
2	M (f) TU(f)	M (f) TU (m)	M (m) TU (m)
3	M (f) TU (f)	M (f) TU (f)	M (m) TU (m)
4	M (m) -		M (m) TU (f)
5	M (f) -		- TU (m)

The reasons for the absence of interviews with trade unionists in two clothing firms can be accounted for by the fact that one of the two managers did not allow for trade union representation at the firm, while in the other case, the trade unionist was unwilling to volunteer for an interview. The missing interview with management of a metal working firm was related to practical reasons. Access to the firm was gained only shortly before I had to leave the country, when the management representative who would have been suitable for my study was abroad.

Some mention has already been made of the role documents -in particular collective agreements- played in the study. They were mainly used for tailoring interview schedules to the specific set-up of a firm. They could help to define the emphases of the interview, as well as providing the interviewee with familiar

reference points (cf. Appendix 2). With regard to the availability of those documents, there is no central agency in Hungary which has compiled them. Hence, access to the agreement of a firm had to be gained for each case separately. In several instances documents were not made available to me, and the reason for this would usually be of a practical nature. For example, it was sometimes argued that the next negotiation would take place in the very near future, and no copy of the old document was available. As to collective agreements at branch level, access to them was provided by a member of the Institute of Politics in Budapest. In the context of their research on the development of industrial relations, all agreements concluded at branch level since 1990 had been collected, and copies of the relevant documents were passed on to me.

Beyond collective agreements, publications of the Hungarian Central Statistical Office were consulted to gain background information, and to illustrate statistically some issues of earnings inequalities by gender in Hungary (cf. esp. Chapter 6). Although some earnings data exists which has been separated by branch and gender, the standard classification of all economic activities has changed since 1992, so that any comparisons by branch over time are limited (Berki & Ladó, 1995b, 178).

4. Data Collection

4.1. The semi-structured interview

Considering our research objectives of exploring attitudes on a topic unlikely to have been dealt with by other research, and attempting to explain these opinions rather than merely quantifying predetermined elements, it seemed difficult to use a standard way of asking questions. The most advantageous approach to data collection appeared thus to be of an 'intensive' rather than of an 'extensive' kind. 'Intensity' does not only mean that attempts to explore in depth will be favoured over breadth, so that the eliciting of causal explanations would be given priority over 'representativeness'. It also suggests certain types of questions and techniques (Sayer, 1992, 242). Through an in-depth approach, there is the possibility of examining the particular experience of a participant exhaustively. The potential of discovery and flexibility, which tend to be attributed to semi-structured interviews, is then very attractive (Fielding, 1993, 136-7). This method of interviewing allows for the adoption of the interview schedule to the understanding of a situation by the interviewee, as well as to his or her experience. By contrast, a standardised method

could easily force the respondents "into an artificial one-way mode of communication in which they can answer only in terms of the conceptual grid given to them by the researcher" (Sayer, 1992, 245), thereby denying them the possibility of providing their own meanings and interpretations of a situation. The perhaps most pressing concerns of the interviewee could then remain obscure. Moreover, the subject matter of 'social justice' and 'gender inequality of earnings' is considerably complex. It would have been hard to attune survey questionnaires or standardised interviews to the varying levels of understanding of, say, the origins of gender inequalities.

However, maybe with some ingenuity, such sensitivity could have been achieved, and the qualitative data be complemented with quantitative data. For example, questionnaires could have been designed and used after an interviewing period, when some insights into interviewees' different approaches to the research questions would already have been gained. Perhaps the greatest obstacle to this combination of methods were the practical constraints I faced in Hungary. Due to financial and time limits, I felt I could not afford to spend more than four months on the fieldwork. This time was largely taken up by arranging interviews, and conducting them. Concerning the possibility of a postal survey, some Hungarian academics advised me that, especially in Hungary, contacting people by mail would tend to yield very little success - a suggestion which I found confirmed when the response rate to my faxes, which asked for access to firms in the context of the interviews, was only 15%.

These practical reasons then inevitably required my choice of one kind of data gathering technique at the expense of another, and the advantages of a semi-structured interview, some of which were already mentioned, seemed to outweigh those of other methods. Such interviews can capture impulsive responses, and verbal as well as non-verbal cues. Important insights the interviewer can gain when the interviewee makes the side-point that he or she has not given much thought to the area of research, are unlikely to feature in writing in a questionnaire. Yet, it was spontaneous answers like those which could function as a good indicator of the role gender equality in employment seemed to have played for interviewees.

Furthermore, by having included more than one case study, the possibility was given to detect interdependencies between certain outlooks and characteristics of the interviewees. So while the interview results obtained through an intensive study are unique at the level of the concrete constellation of factors for individuals,

some generalisations are still possible: since in-depth methods contribute to the identification of structures in which people are locked, as well as their mechanisms, it is likely that the abstract knowledge of these is more generally applicable (Sayer, 1992, 242). What can be brought to the fore are certain economic, social, cultural and personal factors which may prompt people to adopt particular attitudes. The series of case studies carried out for this research had various comparative aspects, which were to assist this process. Different types of industry were included in our research design, namely firms of the 'light' and the 'heavy' industry; and two distinct groups of industrial actors, management and unions, made up our sample of interviewees. It was hoped that this design would prove useful for an assessment of the particular factors which may have had some importance in each setting. For example, the fact that the light industry is dominated by female workers, while the heavy industry can be characterised by male domination may have an effect on the perceptions of male and female workers by managers and unionists. Hence, one reason for studying the two contrasting employment set-ups was the idea that they could provide a degree of control which could help in disentangling industry specific elements from general ones.

Despite the many advantages of semi-structured interviews for our research objectives, of course, such technique is not without any problems. Here in particular, one always has to confront the problem in cross-cultural research that translating from one language to another is fraught with difficulties. Concerning potential problems as a cultural and linguistic outsider to the society in which a study is carried out, a detailed discussion of those will be provided below.

4.2. Research and interview questions

The literature review in Chapter 2 indicated that earnings inequalities by gender can have two main, possibly interrelated, sources: they may either be connected with difficulties women are more likely to face than men in their attempts to access well paid employment, which can be associated with vertical job segregation - the issue of equal opportunities; or women's jobs are systematically subject to poorer evaluation in the context of horizontal job segregation - the issue of equal pay for work of equal value.

4.2.1. *Equal pay for work of equal value*

In reference to the possibility of wage discrimination, the research questions were in part based on the different meritorious and utilitarian grounds identified in Chapter 3. The research problem relating to '*desert*' was to test opinions on possible inherent features of the different jobs men and women occupy which give reason to assume that one sex systematically expends more effort in their jobs, and engages in more burdensome and less rewarding work than the other. This problem was operationalised, and interview questions emerged which were initially formulated in general terms.²³ (cf. Appendix 3). As explained above, the aim was to allow interviewees to set their own agenda within a certain framework by leaving them with a maximum of initiative. Only after this did the questions become more specific with the intention of clarifying interviewees' responses or receiving further elaborations.

General questions could take this shape:

-Are there any types of work at your firm which you would consider particularly difficult to perform?

And more specific questions could look like this:

-Do you think that there are good reasons why physically heavy work should be rewarded especially high?

-Do you think that monotonous work should be classified as part of adverse working conditions, similar to physically heavy jobs?

Other concepts discussed in Chapter 3 were also explored in general as well as in more specific ways, such as in the case of '*achievement*'. The prevalence of the contrasting principles behind desert and achievements, namely '*effort*' and '*non-deserved characteristics*' as a wage increasing force, could be examined by asking:

-What should be the most important criteria taken into consideration when wages are determined?

Or more specifically:

²³During the interviews, I was reminded of the general questions relating to the different research themes with the help of some index- cards, which constituted a '*topic-guide*'.

-What kind of personal characteristics of workers should be taken into account in earnings determination?

As mentioned before, the fact that before the design of the interview-schedule, I had been able to obtain the latest collective agreements of the metal and the textile industry as well as the 1992 Labour Code helped to put interview questions (and the collected data) into context. This applies similarly to the various collective agreements concluded at enterprise level, which I was able to access in the course of the fieldwork. Since working conditions and personal characteristics are the components on which the pay scales in firms' collective agreements have rested, interview questions could be made relevant for the existing agreements at firms, and the interviewees be asked about their (dis)contentment with those arrangements.

There was also the research question of the role of '*needs*' in earnings determination, which lent itself to a direct transformation into an interview question.

-Did people's needs play any role in the last wage negotiations? Would you regard the inclusion of this criterion as important?

A direct question on the gender dimension, which was able to clarify interviewees' objectives in relation to gender inequalities, could comprise the following content:

-Do you believe that men's needs for certain earnings levels are higher than those of women?

Usually, in interviewees' justifications of their preference for one set of criteria rather than another, there were indicators showing to what extent they were thinking in *utilitarian* terms, prioritising possible functional effects which could be obtained for the firm by the payment of certain earnings levels; in other words, ideas surrounding the utility principle were often evoked by interviewees without any prior prompting. It was then the task of interview questions to clarify the respondents' view, and to ask for elaborations where necessary. In some cases, specific questions examined the relevance of this criterion explicitly. An example here would be: "To what extent do you think the pay of this group of employees was set at a level in order to attract expertise?"

The criterion of '*entitlement*' had no direct and specific question associated with it, but was occasionally referred to by interviewees in response to general questions,

such as “What would you regard as the most important considerations in the last wage negotiation?”. Here, respondents sometimes mentioned legal stipulations or ‘market rules’.

4.2.2. Equal opportunity

The problem of employment discrimination featured in Chapter 2 in the context of ‘statistical’ and ‘taste discrimination’, which are ideas based on neo-classical economic theory. Moreover, less simplistic, eclectic models accounting for horizontal and vertical job segregation and the denial of employment opportunities in certain sectors of the economy for women (and indeed men) were presented, and will be elaborated upon in Chapter 6. Interview questions were related to these theoretical propositions. Three perspectives have been identified which seem to be able to explain women’s lesser access to high status and highly paid jobs in most countries. They differed in their perspectives, either being concerned with individual-level differences focusing on assumed inadequacies of women; with the organisational context of firms, arguing that gender inequality is closely related to the extent to which women are visible at certain levels of an organisation; or with institutionalised discrimination, also considering wider social constraints of female careers.

Interview questions covering these areas first tried to elicit the gender distribution in the higher echelons of the job hierarchy at firms, as well as in the different areas of physical work. On this basis, ‘images of women workers’ by union and management representatives were explored. Interview questions pursued the following themes:

-Is there perceived equality in access to jobs? Is there equality in outcome? If not, what could be the reasons for this state of affairs?

-Are there any characteristics relevant to the value of white or blue collar workers in which women differ from men, i.e. is either sex more suitable for particular jobs?

-Is there any need to address the perceived situation of men’s and women’s employment opportunities, and any possibilities of dealing with them?

One issue which permanently underlay these interview questions was that of the relationship between trade unionists and management at a given firm. While there were specific questions about the nature of the bargaining process (“Were there any

conflicts during your last negotiation?"), much about this topic was revealed during the discussion of the value positions adopted by the interviewees, and their description of the obstacles they felt had impeded the implementation of their ideas. A sense of development in the different areas of research could be achieved by asking interviewees to compare their present with past experiences.

5. Conducting interviews as a cultural and linguistic outsider

5.1. The interview process as social interaction

There are various views on the purpose and the 'ideal process' of an interview. For example, the task of an interviewer can be described as obtaining a 'print' of the opinion and knowledge of respondents, who ideally have a view already well in their mind at the beginning of the interview. Interviewers must not distort this 'print' by allowing their own opinion to find entry into the interview. However, such conceptions of interviews are rather static, and also unrealistic.

It appears more appropriate to conceive of an interview as a social interaction between interviewer and respondent, in which both parties display a constellation of characteristics which indicate group membership and loyalties, so that a potential source of bias always exists. The characteristics and behaviour of the interviewer can influence the respondent, and *vice versa* (Kahn & Cannell, 1983, 23; 180). Let us look at Kahn and Cannell's (1983, 194) model of factors which are likely to have influenced our data (cf. Appendix 4). Three kinds of factors have been suggested as potential contributors to bias in our data collection, namely background characteristics, psychological and behavioural factors. They operate within the individual, determining his or her behaviour during the interview, as well as in interactions between the two interview participants (Bulmer, 1983, 207). It is likely that background characteristics and behaviour have an impact on psychological factors of the participants, which in turn influence behaviour.

What the model does not take into consideration is the possible presence of a third party, in our case the interpreter, and the additional dynamics accompanying this. A detailed discussion of the potential influence of an interpreter is useful as little discussion seems to have taken place about this in the social sciences. Moreover, as should become clear below, the influence which can be attributed to the presence

and behaviour of an interpreter is of much significance at all levels of empirical research. At the stage of access negotiations, the interpreter's appearance (defined in the widest sense) could contribute to the decisions of access prospective respondents made, as well as already giving them a first impression about their interviewers. At the stage of the interview, the interpreter's skills and behaviour could have a major impact on the quality of the data.

5.2. Interviews with interpreters

Before starting the fieldwork in Hungary, I had hardly considered the use of interpreters in interviews as a methodological issue. Not very aware of the effects this third party can have on the data collection -whether due to their mere physical presence or their behaviour- I spent few thoughts on either how to specifically prepare myself for such interviews, or on how to prepare the interpreter. Only in the actual process of interviewing did I realise the magnitude of the methodological issues underlying this type of interview.

Trying to see how my experiences fitted with that of other researchers in similar situations, I began searching for literature on the subject of using interpreters in interviews. First of all, I targeted social science literature with a comparative dimension. However, while here 'language' was discussed as a methodological issue, one focus being on testing the equivalence of concepts in different languages usually in relation to one survey carried out in various countries (for example, Bulmer & Warwick, 1983, 12; Casley & Lury, 1987, 87; Iyengar, 1983), what I was looking for in vain were experiences and thoughts on the *social process* of conducting interviews with a party of a different linguistic background from that of the interviewer. Systematic bibliographical research using the databases 'Bids' and 'First search' yielded more success. Searching by keywords, such as 'interview and interpreter', 'interview and translation' or 'ethnographic interview', a modest bibliography could eventually be compiled, which surprisingly consisted of articles and books mainly from the medical area, in particular from the field of psychotherapy.

But even here, in some cases, the use of a foreign language by an interviewer or interviewee was not dealt with at all. For example, in an ethnographic study attempting "to elicit the meaning of nurse's touch for hospitalised Puerto Rican patients with cancer" (Morales, 1994, 464) in Puerto Rico, no information is given about the language in which the interviews were conducted. The possible initial

belief of the reader that they must have been conducted in Spanish, also because the author is an Associate Professor at the University of Puerto Rico, is dispelled when interviewees are quoted in broken English:

“But my husband has always been touching with me, and my sisters when they come, they always present kiss, the greeting, but not like now; it is like they placed their hearts on a plate. Do you understand me? So I can see where is more love, and all are full of it” (in: Morales, 1994, 467).

Despite the fact that no mention is made of possible problems related to this specific type of interview, it is probable that there are issues here similar to those of a study which looked at substance abuse treatment, and which included over 50% of participants of Hispanic background. This study reports that “the richness and detail of interviews was sometimes compromised by certain limitations in the patient’s verbal, memory and cognitive abilities” (Lovejoy et al., 1995, 270). Obviously, verbal abilities can greatly be affected also if interviewees are asked to respond in a language foreign to them, but this topic remains unexplored in the article.

In another study which looked at the smoking behaviour of Puerto Rican adolescents in Boston, it is mentioned that the interviews were conducted by trained, bilingual Latino interviewers (McGraw et al, 1991, 1356). The reader is left in the dark about the methodological rationale underlying the use of interpreters who had learnt the languages in an associated context - compound bilinguals (Frey, 1970, 277). Yet, if this fact had not been considered important for the data collection, why then should it be mentioned as a methodological detail at all? Clearly, it is reasonable to assume that the Latino interviewers, who were likely to have been seen by respondents as insiders to their culture, could establish a different relationship to the interviewees than coordinate bilinguals could have done, who would have acquired bilingualism in a disassociated context (Frey, 1970, 277) and perhaps would have spoken the interview language with an accent. None of these themes have been raised in the article.

However, if it is accepted that the means by which ideas are communicated between the interview parties of a different linguistic background matter, then we should consider the disadvantages and benefits of, as well as general issues underlying, the following four broad choices we have. Conducting interviews in a foreign country, or with a linguistically distinguished group within a country, either, the interviewer is fluent enough in the native language of the interviewee, so that the interview is conducted in that language; alternatively, the interviewee may

be advanced and willing enough to do the interview in the researcher's mother tongue; or the interview partners use one language foreign to both of them, but of which they share the knowledge; lastly, an interpreter can be employed. In this last option, there are again various possibilities, such as whether the interpreter is a professional or lay interpreter; whether he or she is a compound or coordinate bilingual, or is known or unknown to the interviewee. Obviously, there are advantages and disadvantages to whatever choice one takes and, as with most options of methodological instruments, here, too, the best choice certainly depends on each project, one criterion perhaps being how structured the interview schedule is. Undoubtedly, in a semi-structured interview, the linguistic abilities required are different from what is needed for a structured interview. In any case, it can be assumed that interpreters are not perceived as mere instruments for the transference and countertransference of speech, but that a more active and important role is ascribed to them by the interviewee, and in some circumstances also by the interviewer. In fact, all three types of factors in Cannell and Kahn's model seem of similar relevance for the interpreter, as they are for the other two parties. Here, it should also be considered that the research topic can lead to intensified perceptions of the participants' background characteristics and behaviour (cf. Appendix 5).

As to the interpreter, background characteristics we may want to add are those of the lay or professional interpreter, the coordinate or compound bilingual, as well as their kind of relationship to the interviewee, if any. Specific behavioural outcomes for interpreters can also be envisaged, and they will be explored in what follows.

5.2.1. Recruitment and preparation of the interpreters

The characteristics of my interpreters were partly defined by the available options I was aware of for the recruitment of interpreters. Since financial constraints ruled out the employment of professional interpreters, the next question was where to look for a lay interpreter. A Hungarian lecturer in the Department of Social Policy at Eötvös Loránd University provided me with the telephone number of a lecturer at an institute for the training of interpreters from where the Department had recruited student interpreters before. However, my attempts to contact her never moved beyond the stage of me leaving a message on her answer machine. Efforts to trace her address with the help of a secretary of the Department remained fruitless. The point arrived where I would have been ready to make the final arrangements

for interviews, had it not been for the lack of an interpreter. In order to solve the problem as quickly as possible, I went to the English Language Department of the University. After posting a note on a board, which explained my concern, I also approached students in a coffee bar, although I realised that with this form of selection, I was relying on an assessment of the appropriateness of the person on the basis of a fifteen minutes conversation. However, the first person who showed interest in the job had not only an obviously excellent command of the English language, but she was also experienced in interpreting for American agencies. The problem that neither she nor I had access to a private telephone was solved, albeit somewhat unsatisfactorily, when she offered the use of a friend's work number as a means of communicating arrangements.

The fact that she was a postgraduate student who had to sit several exams during my research still made the recruitment of a 'back-up' interpreter necessary. When I returned to the Department a few days later, someone had left a name and phone number on my posted note, and I contacted the person to explain the job in more detail, and to find out if she seemed suitable for the task. An agreement could be made.

Preceding the first interview, I roughly explained my area of study to the interpreter, and I provided her with the translation of particular terms, such as, 'piece-rate pay', 'adverse working conditions', and 'collective agreement', which I expected an outsider to my area of research to be unlikely to know. I regarded this as necessary for the efficient communication of my questions to the interviewee, as well as for my immediate understanding of the response. Before turning to difficulties which arose from the process of translating, let us first deal with the possible implications arising from the mere physical presence of the interpreter in interviews.

5.2.2. Interview bias and the interpreter's characteristics

The interpreter I had selected to assist with the majority of interviews had the following characteristics: female, in her mid-20s, dressed semi-casually. While at the beginning of interviews, I introduced myself as a student doing research for a doctoral thesis, the interpreter also provided information about her postgraduate student status when asked by interviewees. So the perhaps most striking difference between us was our nationalities, and traits associated with them. What could have been the effects of this particular interview set-up?

On those occasions on which the interpreter was present -as opposed to the few events where an interpreter was provided by an organisation- I often felt that from the first encounter with the interviewees, we were regarded as 'a pair' by them, somehow reinforcing each other's background characteristics. This obvious perception by respondents could have been furthermore perpetuated by the simple facts that we usually arrived together at the interview, and that the interpreter seemed to know me.

And in retrospect, during the course of the fieldwork, I also came to perceive the interpreter and myself as 'a team'. In part, the reason for this was that, occasionally, I had to ask her to phone a potential interviewee and to help with the negotiation of access (a methodological problem in itself), and that difficulties of gaining access were discussed and solutions sought by both of us. Moreover, after a few interviews, the interpreter developed a genuine interest in my work, and sometimes lively discussions followed an interview. On those occasions, I would also mention problems that I thought a particular interview had raised for my attempts at eliciting certain information, and ask for her ideas where the problem may have been rooted. So I had another view where an ordinary interview situation would perhaps leave the interviewer at his or her own devices.

This 'team-situation' was notably different from one interview which I conducted with a representative of the Ministry of Labour before my actual fieldwork, when I was trying to locate the appropriate interview partners for my purposes. At that time, a professional interpreter was provided for me, a specialist in the area of economics. He was extremely smartly dressed, had a discreet and distant manner, and in his function as an interpreter was perfectly 'transparent'. His translations were almost simultaneous. In retrospect and by comparison, it seems that due to his background characteristics and behaviour, it would have been very difficult for me to discuss with him issues which emerged in interviews in ways similar to the conversations with the female student interpreter. Furthermore, while during interviews, the presence of the female lay interpreter could sometimes take pressure off me, as I felt that she was 'on my side', i.e. I trusted her to try her best to render the interview successful for my purposes, I felt under more stress with the professional interpreter. He knew the interviewee from other interviews, and I perceived him as a critical observer of the interview process, who perhaps would secretly evaluate the relevance and intelligence of my questions. At the same time, however, he was unlikely to become nervous by interviewees who leave little space for translations, or who deal with areas in which the interpreter does not feel

confident. Still, it was the former perceptions which influenced my behaviour, so that I became insecure, and more selective in the questions I wanted to ask.

As a corollary, the question of the most suitable interpreter seems to comprise as much the option between a professional or a lay person, as the choice of other characteristics of this person. Maybe it was in fact the memory of this interview at the Ministry of Labour which prompted my selection of an interpreter some months later. When I approached several students to ask them whether they were willing to participate as interpreters, I -at that time unconsciously- selected those students whose characteristics most closely resembled my own. I obviously chose the kind of person I felt I would be most comfortable with in an interview situation, and who would perhaps understand and identify with the research goals better than her male counterparts.

Had the interviewees had the choice, it is likely that the same preference would have been manifested by most female participants, not least due to their felt group membership we can assume and, perhaps, solidarity with women. However, it is uncertain whether the male participants would have been more comfortable answering questions about their perceptions of women workers in the presence of one man and one woman, rather than responding to two women. The argument Kahn and Cannell (1983) advance in relation to an 'ordinary interview' is that

"the effects of divergence of background characteristics between interviewer and respondent can usually be overcome, if the interviewer ... is able to demonstrate that he can understand ... the respondent" (p. 198).

This is certainly inapplicable in our context. Not only is one of the participants with the divergent background characteristics not in a position where she should show either understanding or disapproval. But there is also the difficult issue of the research topic, and the uneasy suggestion that one has to show understanding of sexist remarks, when the most one would like to do (and perhaps should do) is manifest some kind of neutral behaviour. Here, research can also be beset with the problem of respondents attempting to avoid statements of which they anticipate that the interviewer and interpreter could disapprove of or feel degraded by (Kahn & Cannell, 1983, 187).

In fact, one problem which may well have been linked to the background characteristics of the interpreter and me was the difficulty of eliciting views on women as paid workers. Not surprisingly, in particular male employers and trade unionists sometimes offered short and hesitant responses. For example, having told

me that there were more male than female managers in his otherwise female dominated firm, this is how the interview with one male manager developed:

"Can you think of any particular reasons why there are more male managers?"

"No. (quick answer). It just happened."

"Do you think men and women are equally suitable for such positions?"

"Yes."

"And the different circumstances in which women find themselves, for example, family obligations - could things like these be an obstacle?"

"No."

"Does this apply to higher management positions, too?"

"Yes. One of the four deputy colleagues I have, she is a woman. So she is in a high position." (TM)

Despite several attempts made to prompt an elaboration on the one-syllable responses, the interviewee did not want to expand on this issue, and I sensed that he felt uncomfortable. In many other cases, this part of the interview was similarly dominated by obviously uncomfortable feelings of respondents, manifested by long pauses, hesitant and slow speech. This is important data in itself, maybe revealing that the respondent has so far spent little thought on this area, or that he was anxious about 'making a mistake' in the presence of women, whose aspirations he may or may not have guessed, and may or may not have approved of. Where such feelings of obvious unease exist, and where despite various ways of encouraging respondents to provide their views, they try to evade this, it is certainly an ethical imperative to turn to a different topic. It is partly for this reason that the richness of the data varies significantly, especially between Chapter 6 and 7. Much more information was volunteered and could be elicited on the issue of grounds of earnings determination than on the evaluation of women workers.

However, in general, we can also envisage possible benefits of two females in the roles of the interviewer and the interpreter, at least in the case where the research topic is not directly related to women's position in society. This can be well illustrated with examples taken from interviews with one male branch trade unionist and one male employer in the textile industry. Particularly in the latter case, the generous provision of data could have had serious consequences had it been passed on to officials. His behaviour can perhaps partly be explained with

stereotypical perceptions of, and attitudes to, young female researchers. In addition to this, the interpreter's lack of knowledge, for example, in the area of industrial relations or economics, where she sometimes had to ask for quite basic clarifications in relation to respondents' explanations, could also have reflected on me. But even if she had been 'transparent' in the language part of the interview, it is worthwhile considering whether our respondents would have behaved similarly had I been accompanied by the afore mentioned middle-aged professional interpreter in a pin-striped suit. 'Our image' then may have been quite different, and considerations such as whether we may have been perceived as too naive to recognise the importance and possible consequences of the presented information would have been less likely to occur with this combination of persons. However, the fact of me being foreign and not understanding the local language could still have created impressions of harmlessness and ignorance.

So the possible image of the female interpreter and me -an unflattering mixture of lack of knowledge of the Hungarian situation, naiveté and harmlessness- may well have been useful to some degree for eliciting information, as well as in terms of facilitating access. A branch unionist provided assistance with access to another important (male) interviewee he was acquainted with, telling the interpreter and me he would assure his friend that he would miss out on "two cute girls" if he denied an interview. A similar response was given to us by the male manager of a metal firm. In the interview with the trade unionist beforehand, we were told that, unfortunately, the management representative would have very little time for the interview. However, once we were in his office and I was trying to find out about the exact time available to us so as to know how to pace the interview, his answer was similarly sexist to the one above: "Not to worry. I have always time for nice women". While these were the most explicit responses of this kind, it may well have been that in other cases, too, (male) interviewees were more willing to talk to us and were more generous with the data they provided than they would have been had I arrived with the professional interpreter, whose appearance might have evoked associations with representatives of public authorities.

In fact, the suggestion that women 'enjoy' these advantages in terms of furthering their research has also been documented by Dingwall (1980), who noted that

"it is quite clear that certain sorts of data are made more readily available to personable young women ... much as we may regret this on ideological grounds, it is always a temptation to engage such a person, particularly in the study of older men where they may perceive less of a threat and be drawn into indiscretion more readily than by a male investigator" (p. 881).

To summarise, before engaging in the search for an interpreter, there needs to be awareness of the fact that the background characteristics of this person can have a decisive influence on the atmosphere of the interview and, as a consequence, on the validity and reliability of the data obtained. While the questions of valid and reliable data certainly also applies to a two-persons interview situation, it appears that the conditions may be intensified -or moderated- with a third person present. An interpreter can either reinforce the characteristics of the interviewer -as happened in the case of the female interpreter- or can modify them to some extent -the example of the male professional. If it was agreed that different combinations of interviewers may receive different responses, then the reliability of interview data can be seen to be at stake; linked with this is the issue of validity, i.e. the truthfulness of the data. Obviously, if the shape of our data is also defined by the composition of the interviewing party, then it can be assumed that there is some scope for invalid data, which was perhaps provided in anticipation of what the interviewer (and interpreter) would like to hear. The extent to which this situation can apply will crucially depend on the research topic.

A third person can also be imagined to increase our feeling of the validity of the data due to the mere fact that there is another observer, whether conscious or unconscious of this role. In situations in which data is transferred which appears of doubtful value to the interviewer, the other person can be consulted about his or her impressions. While such 'impressions' have to be handled with as much care as one's own, they still can usefully add to the researcher's picture of a situation.

It has also been observed that (male) interviewees tend to be very liberal in their provision of data to female researchers, thereby perhaps drawing a more comprehensive, more accurate and thus more valid picture of the research topic. While this phenomenon can certainly occur in a one-to-one interview as much as in those involving interpreters, maybe the truth of this claim depends on the area of research. Where men are asked about their image of female workers, it is possible that they would feel more at ease answering questions in the presence of male interviewers. In my study, too, male interviewees could have been interviewed with the assistance of male interpreters. However, using different, especially lay, interpreters means that each interpreter has to be instructed about the research goals, and has to find their way into the topic, so that it takes longer to have experienced interpreters for the specific research to be carried out. In fact, there are various peculiarities worthwhile bearing in mind when the employment of a lay interpreter is considered.

5.2.3. *The lay interpreter*

Practical problems which can be associated with the use of lay interpreters have been found in the area of psychiatry. Here, lay interpreters apparently tended to consider their translation work as “a bothersome interruption of their regular job activities” (Marcos, 1979, 172). Whether lay interpreters find this interruption ‘bothersome’ or not, the fact is that they have their own agenda, so that the interview time can also be limited by their schedule - as I experienced with my postgraduate student interpreter. It can also be very stressful trying to arrange interviews in a way which suits the busy interviewee and interpreter. This can be aggravated in countries where the infra-structure is less well developed, for example, where it is not the rule that households are equipped with telephones. The fact that neither the interpreter nor me had access to a private telephone limited the flexibility of arrangements. On some occasions, I could not take up the first choice of the interviewee for an interview arrangement, as there was not sufficient time to inform the interpreter by means of the route we usually used to communicate. In the cases when I was unable to make a precise arrangement with her after an interview, our communication took place via the friend of the interpreter, who was able to receive calls at work. In most cases, she would expect my call on a certain day at a particular time, and I would confirm the arrangement of an interview, leaving the time of the appointment for my interpreter, and often also instructions how best to get to the place. I knew that the interpreter would ring her friend later to enquire about all these details, but it still caused anxiety when I had arrived at the place of our interview and had to wait for her, thinking that something in this complicated method of communication might have gone wrong. Obviously, appointments are less reliable when their reconfirmation is almost impossible.

A problem of another kind arose in one of the two cases in which the firm insisted on using their own bilingual staff members to interpret. On arrival at the firm, I found out that the appointed interpreter was the son of the manager. A common observation of interpreters known to the interviewee, and familiar to his or her situation, consists of their tendency to sometimes answer questions without asking the interviewee, thereby ignoring most fundamental rules of interpreting practice. There were several occasions on which the interpreter himself responded to the questions posed to the union representative or his mother, the manager, and I had to ask for his translation of my question to them. Of course, there are other problems surrounding an interview with the presence of a third party known to the respondent than this kind of failure. While there are some advantages (for example,

the third party can often function as a control element, indirectly providing for truthful information by the respondent), on balance, it seems that the negative influences outweigh possible benefits, and the interviewee can feel restrained in expressing his or her genuine attitudes. This does not mean that with the use of their own staff, firm representatives were trying to increase their control over the interview, but my impression was that they were genuinely trying to help me.

Simple questions related to the *transference and countertransference of speech* have to be solved when interviews involve a lay interpreter. With the interpreter usually sitting beside me, and the interviewee being opposite, there was the dilemma of whom I ought to address when talking. It has been suggested in relation to psychotherapy that the interviewer "should speak as though the patient could understand his words", rather than saying to the interpreter, "Ask him if he does thus and such." If the interviewer addresses the interpreter in that manner, it encourages the patient to reply, "Tell the doctor that..." (MacKinnon & Michels, 1971, 453). What is to be avoided according to MacKinnon and Michels is that the interviewer relates to interpreters in a dependent way, rather than considering them as assistants. Since the patient is likely to feel socially closer to the interpreter already, this may draw him or her even closer to the interpreter, thereby threatening the role of the doctor (MacKinnon & Michels, 1971, 453).

On the face of it, it is uncertain in how far this situation of the psychotherapist can be transferred into the social research area, even when we consider an interviewer's effort to establish rapport with the interviewee. It is obvious that in the medical environment, it is crucial for the therapist to entertain a close relationship with the patient, not least because patients must trust therapists in dealing with a mental illness. This seems to be less imperative in a social research interview with an interpreter. Is it so much a problem here if it seems more natural for interviewees to talk to the person who can immediately understand what they are saying, rather than to the interviewer, and *vice versa*? Is it inadequate or inappropriate if 'rapport' is established through the interpreter, whose cultural closeness to the interviewee can prompt the respondents to freely talk about their problems, which they may think the interpreter can relate to better than the foreign interviewer?

There are at least practical complications here. I found that in situations in which I was tempted to address the interpreter when asking a question, this could in turn encourage interviewees to also address the interpreter. The consequence of this was that little space for translations was allowed for, as the interpreter seemed to be

regarded as the main communication partner. Such circumstances could have rendered the interpreter's job even more difficult. Once one has allowed interpreters to transfer interview questions and responses by allowing their own personality to enter the process, interpreters can hardly be blamed for adopting a more active role than is desirable. The following comment was made by a researcher in the wake of her interviews with Hmong women whose speeches had been translated by a Hmong female interpreter.

"It is necessary, I would say, to develop a technique of restatement that makes the translator an extension of the interviewer rather than a joint interviewer. There were times when the young woman translator evoked interesting answers which were not responsive to the questions I posed, indicating that she was asking her own questions, in effect" (Faller, 1985, 342).

In my experience, too, interpreters can be tempted to ask their own questions,²⁴ or comment on answers, either because it is a subject they have become interested in, or because they themselves have 'established rapport' with the interviewee, thereby 'forgetting' their intended passive role. Obviously, when interviewers do not realise that the interviewee's statement has not been in reply to their question but to that of the interpreter (whether she changed or added to the question knowingly or unknowingly), the validity of the data is at least reduced.

Data which is (partly) invalid can also occur due to other difficulties which can arise when the interpreter has no formal qualifications for her task. In fact, some bilingual people will not have the concentration span required for the job - a discovery I made especially when the 'back-up' interpreter had to be resorted to. More generally, because they are not in the habit of doing this kind of work, they may tire quickly, so that the interview time is also defined by what can reasonably be expected from the interpreter. The main interpreter explained to me that after two hours of interpreting, she found the job quite a lot more strenuous, which was likely to result in reduced quality of interpreting.

Distortions which we might expect here (and which could also be based on deficient interpretative skills) include omissions, additions, substitutions, and in particular condensations (cf. Appendix 2). Much important information may get lost in interpreters' attempts to summarise answers (Marcos, 1979, 173) - which I certainly experienced with the afore mentioned firm's interpreter and the 'back-up'

²⁴ For example, when a management representative from a clothing firm gave the information that 95% of their workers were foreign, the interpreter asked "Where from?" immediately after she had translated the interviewee's statement.

interpreter, who sometimes summarised in one sentence what seemed to have taken the interviewee at least five sentences to express - another reason why I tried to encourage the translation of small sections of speech. Distortions can also be associated with the interpreter's lack of knowledge and confidence in the research area. The consequence of this may not only consist in their recurrent need to clarify the content of questions and answers, but also in the tendency to 'make sense' of possible loose associations and disorganised statements by respondents.

5.2.4. Eye-contact

The control of an interview can be influenced by means other than the transference of speech. The following account has been provided on the basis of interviews with Hmong women:

"I found it difficult to maintain eye contact with the women during the translator-assisted interviews because of having to maintain it with the interpreter. When I failed to keep eye contact with the women, their attention tended to wander." (p. 342).

So with whom is eye-contact to be maintained during the interview? The conventional advice certainly is that eye-contact should be kept with the respondent, but this can become problematic.

Using an interpreter, I could find myself easily in a position of paralysis. Having uncertain ideas about the contents of what the interviewee is saying, and having to wait for an interpretation, it is difficult to control the kind, and the depth of the material communicated. Conveying by gestures and facial expressions whether one wants to encourage or discourage the respondent from continuing on a particular course becomes more arduous than would be the case in direct communication. There are obvious examples when eye-contact can become a major means of interference by the interviewer, for instance, when interviewees tend not to leave any space for interpreters to translate. I tried to deal with this situation by attempting to establish eye-contact with the interpreter, hoping to make interviewees aware by interrupting eye-contact with them that I expected a translation from the interpreter at the soonest possible point in time.

Mention should also be made of the fact that there are certainly ways of controlling at least some of the problems described above either at the point before one has entered, or once one has left, the interview site. A lesson I learnt is related to possible inaccurate translations by interpreters, or confusion during the interview,

due to insufficient knowledge of the area of research. It is very important to make the interpreter familiar with the interview schedule in much detail before the first interview, perhaps even explaining the rationale behind certain questions. I only provided my interpreters with those terms which struck me as being unlikely to be in the vocabulary of somebody who had no deeper knowledge of areas, such as industrial relations or collective agreements. This included terms like 'piece-rate pay', or names of organisations, for example, the National Council for the Reconciliation of Interests (ÉT), which I or the interviewee were likely to mention. With the lack of knowledge of important aspects of the research area, avoidable confusion and uncertainty can arise for interpreters.

In order to remedy some inevitable shortcomings of interpretations, it appears that in interviews with interpreters, tape recording is an imperative. Especially for the most important parts of the data, I often felt the need to have the original translation checked. In the process of analysing the data in Edinburgh, I hired a Hungarian language student who was on an exchange programme at the university, and asked for his suggestions for the best translation of the data I intended to cite in the thesis. This was also done where I found discrepancies between responses of interviewees and my question, so that the exact wording the interpreter used when translating my question could be clarified. Obviously, this data would have been lost had I only taken notes at the interview.

5.2.5. The cultural outsider: interpreters providing the cultural context

Faller (1985) in her study of the perinatal care of Immigrant Hmong women (i.e. the Hill people of Laos in South East Asia), says about the (semi-structured) interviews that they

“proved difficult, and illuminating. They were difficult because of the language barrier, which required exclusive use of interpreters, and because of the women themselves, especially in discussing matters of sex and childbearing” (p. 340).

It is added that a young Hmong woman employed by a private agency assisted in most of the interviews. She is characterised as a well-educated woman, who had experienced child birth since her arrival in the United States, and who in addition to her role as a very able interpreter became primary source of information about Hmong women (Faller, 1985, 340). Faller also comments on the effect of the two

male translators employed in the study, one associated with the language centre, and the other with the prenatal clinic (Faller, 1985, 341).

“Contrary to published reports, I did not find Hmong women to be shy, unresponsive or inhibited in the presence of men. In fact, one male interpreter said *he* was uncomfortable during some of the discussions.” (p. 342)

Faller therefore tried to phrase questions in a way in which sexual connotations could be avoided.

This situation is similar to the circumstances of my own research. For example, I had to ask men about their perceptions of women’s abilities in posts higher up the hierarchy. I noticed that sometimes, interpreters did not find it easy asking these questions, for example, by their prolonged ‘aha’, indicating that they had understood the question, and now hesitated how to word them best in Hungarian. This demonstrates once more how one depends on the skills of the interpreter in putting questions like this in the most acceptable way of this culture. At the same time, the interviewer has to rely on the interpreter to interpret questions with the same shades of meaning, to keep questions non-leading where they have been non-leading, and to keep them neutral where they were asked in a neutral way (e.g. ‘pay differences’ instead of ‘pay inequalities’) - a difficult task for the bilingual Hungarian interpreter, but an objective even more difficult to achieve for a cultural outsider even with advanced knowledge of a foreign language.

Another question is prompted here, concerning possible ethical obligations one has towards the interpreter. When I asked one interpreter after the interview about her feelings when having to ask questions related to pay, it was explained to me that in socialist Hungary, there used to be a list which contained the names of all workers and employees, beside which the amount of their earnings could be found. On payment day, each recipient had to sign the list, thereby being able to see what everyone else was earning. While at that time, this arrangement caused little concern (mainly due to small inequalities), the procedure has now been changed, and pay has become a more sensitive, and potentially conflictual issue. For that reason, the interpreter did not find it easy to enquire into this area although she was ‘only’ the interpreter.

So we may want to ask whether it is acceptable to ask questions with which interpreters feel uncomfortable. And is the problem solved if, at the beginning, one tells them about details of one’s study, and explains the sensitive questions to be asked? But there does not only seem to be an ethical issue here. Even if the

researcher herself would come across as completely natural when asking this kind of question, it can certainly have effects on the interviewee if the interpreter is perceived as being embarrassed asking a particular question. Admittedly, I sometimes wondered during interviews if it had been as easy for me to ask certain questions had I not known that the question would be 'filtered'. I trusted the cultural awareness of my interpreter to lead to translations which would have made the question maximally acceptable to the other party.

In general then, as with the Hmong interpreter in the perinatal needs study, the interpreter in my case had various roles. One of the roles can be discerned when we think of the background characteristics of the interview parties, and the possible effects they could have on the data collection. While sometimes, there may have been no more than a strong feeling on my part that the interviewee perceived us in a certain way and behaved on the basis of this perception, here, the presence of the interpreter proved once more extremely valuable beyond the actual task which she was asked to do. We were able to discuss such impressions immediately after the interview, and the interpreter would either strengthen my beliefs with her observations, or would dispell them. In other words, not only could I check with another *woman* who had witnessed the interview about her impression of the male respondents' voiced opinion on women workers and his interaction with us as women. I could also find out about the feelings of a *Hungarian* person, an insider to Hungarian society, and her thoughts on specific responses given to particular questions. She could often show me the cultural context of my study. This was perhaps most obvious in the cases in which she commented on those of her observations which she either saw as representing a continuation of the socialist past, or as a disruption. She herself occasionally drew my attention to details which most likely would have gone unnoticed without her ("This reminded me so much of the past!"), or would tell me where she thought that the sincerity of the respondent was in doubt, and for what reason she thought this to be so. The fact that the interpreter who did the vast majority of translations had entertained close contacts with Americans over several years certainly helped here. She had frequently interpreted for American agencies, and was well acquainted with Western culture, so that she possessed the ability to see statements Hungarians made in the context of Western values and beliefs. Of course, it is not *only* interpreters who can clarify the cultural context in which interviewers operate. If data is difficult to understand by interviewers, they could also ask the respondent directly if a certain view is considered common, or a particular state of affairs

ordinary or unusual in the country where the research takes place. But are people inclined to admit that they hold uncommon views or work with unusual arrangements?

A further advantageous side-effect of having a Hungarian interpreter was the fact that interviewees could immediately relate to her as somebody who due to her nationality would share some experiences with them. Our first encounter with the interviewee was naturally followed by a short conversation between the respondent and the friendly and sociable interpreter, who was often asked about her connections with me and the research topic at stake, which may have led to questions, for example, about her own place of origin, Universities in the city, and similar issues. Only after that would I become the focus of attention, and be properly introduced. In other words, very often, the conversation preceding the interview was first completely detached from me and my interests, and the interviewee was able to relax, knowing for sure that the actual interview had not yet begun, as I was not involved. This could be different in situations where even a 'friendly chat' of the actual interviewer may be received with nervousness, as respondents may expect that even apparently insignificant comments on their part can be used as data. By the time I became an active participant, I felt that some rapport had been established between 'us', the interpreter and me, and the respondent. And although it has been pointed out that sources of differentiation, such as race or ethnicity, can easily lead to suspicion of interviewees (Peil, 1983, 85), this kind of effect due to my different nationality could certainly be modified by the involvement of the Hungarian interpreter.

We may want to ask whether it is advisable to leave the conduct of interviews altogether to a bilingual person with whom one has clarified research goals and procedure beforehand. This would reduce the dynamics of the relationship between participants in an interview again as illustrated in model 1 (Appendix 1). For several reasons, I would still prefer the option I took, since compelling arguments can be advanced for research in which the person(s) who designed the study, and who will analyse the data, is (are) ideally also present at the interviews.

First, there are obvious advantages when the analyst of the interview data is also the interviewer (and thus the 'observer'). Rosalie Wax (1975) in her anthropological study on Indian education has found that

"somehow, by sitting in so many Indian homes, by talking to so many people in so many different circumstances, [we] consciously and unconsciously had

picked up the cues that helped us to 'understand'. And we picked up these cues, not through introspection or by extrapolation from someone else's notes, but by remembering what we saw and listening to what we heard" (Wax, 1975, 266).

Obviously, most of these data and aids of understanding will not be available if one decides to leave the whole interviewing process to somebody not involved in the actual data analysis.

Second, and more specifically related to my own research, my interview schedule was very loosely structured, not least due to the fact that it was extremely difficult to anticipate responses. Uncertain circumstances like the ones I expected and found in Hungary can cause problems when another person is to carry out the interviews and has to be carefully instructed about the interview schedule. While this problem can partly be addressed by conducting pilot studies in order to refine the interview schedule, it still appears that, in some cases, the outcome of semi-structured interviews with an interviewer other than the person who designed the study can be somewhat unsatisfactory. In my case, the interview schedule was based on principles of earnings determination with which I identified very closely. It was partly for that reason that I had quite firm ideas in my mind to what extent I wanted certain themes to be spoken about, where I urgently needed information despite interviewees being reluctant to provide it, and to what issues I could give lower priority in case we were running out of interview-time. Also, because of the normative, sensitive nature of some questions, I knew that a large room of manoeuvre was required in order to encourage respondents to talk about 'awkward subjects', and that sometimes several approaches would be necessary. But even when all attempts had failed, I was able on the basis of my experience to reflect upon what had gone wrong, rather than being left with feelings of disappointment that a second person had not obtained the desirable results.

6. Data analysis

Concerning attitudes to the appropriateness of certain earnings levels for particular jobs and certain workers, various theoretical propositions had been developed on the basis of a literature review (Chapter 1 to 3). Following this, their operationalisation into an interview schedule was attempted. The analysis of the data as presented in the Chapters 5 to 7 was guided by those theoretical propositions. Considering that the nature of the research was exploratory, it can be argued that, instead of starting with a theoretical stance, case descriptions could

have been developed, so that the analysis would have been based on a descriptive framework (Robson, 1993, 378).

In the practice of this research, elements of both of these approaches were used. While the theoretical framework shaped the plan for the data collection, which then obviously helped to prepare a data analysis strategy (Yin, 1994, 104), the interview schedule remained flexible throughout the conduct of the interviews, and also evolved through the interaction with the cases. After each interview, I summarised how far the data collected contributed to an answer of the research question, and what other issues the interview had brought up, which potentially merited further examination. Through this process, important themes could be found which were not captured by the initial theoretical frameworks, and they became then included as interview themes. At a later stage, following the data analysis, attempts were made to incorporate those findings into the theory, to modify the propositions, or to contradict them and to suggest something new.

An example of this is the area of industrial relations in Hungary, which prior to the fieldwork, I had assessed to be of much less importance than I did after the first interviews. The issue of the nature of industrial relations unravelled in the context of my enquiry into interviewees' perceived most important issues discussed in negotiations between the industrial partners. Here, significant material about the dynamics between the parties was gradually revealed. When I mentioned some of these findings to a Hungarian researcher who had specialised in this area, his feedback was encouraging for me to pursue the theme, and to make it a fixed component of the interview. While there were some specific points which I knew I had to cover in this area, there was no comprehensive theory which would have underlain this enquiry. Attempts made to devise a theoretical framework on the basis of the collected data proved a very difficult task, which can in part be attributed to the fact that clear social and economic developments constitute an exception in the transforming economies, rather than a rule.

With regard to the data analysis in general, at the preliminary stage, the aim was to discover categories which emerged from the data. Similar to Strauss's (1987, 81) suggestions, certain stretches of the transcribed interviews were provisionally labelled by their topical focus. Links between the provisional categories were looked for, and sub-categories created where this was appropriate. The analysis included a frequency count of occurrences of certain categories in order to give some notion of the representativeness of the data. This does not mean that those

variables were ignored which occurred rarely, and which might have run counter to the main stream of opinions. In accordance with one of the objectives Yin (1994) advances for high quality analysis, the aim was to rely on all the relevant evidence which was available in relation to certain categories, and it will be seen that an interpretation of deviant cases was attempted. Through the citation and explanation of such cases, we can get a better sense of the data as a whole, rather than being left with impressions of few selected examples (Silverman, 1993, 162-3).

Attention was also paid to the context in which the (sub-)categories occurred, the important variables being the gender of the interviewee; the type of firm ('light' or 'heavy industry'; status of the firm: privatised or State owned), and the status of the interviewee (trade union or management representative). In most cases, it was striking that interviewees' opinions hardly seemed to be influenced in a systematic way by such variables, and explanations for this phenomenon have been sought. This applies particularly to the positions adopted by trade unionists and management, which could be surprising for Western observers. The next chapter concerns itself in particular with the characterisation of these two parties.

CHAPTER 5

THE NATURE OF INDUSTRIAL RELATIONS AT ENTERPRISE LEVEL

This chapter is designed to prepare the ground for a better understanding of the opinions on employment issues voiced by management and trade unionists, which are presented in subsequent chapters. It will be seen that some of the views advanced are at odds with our experiences of policies typically advocated by Western industrial partners. One key to an explanation of this phenomenon appears to lie in the nature of industrial relations (IR). Interview data will be used to establish what factors characterise IR today, and the positions trade unions and management have adopted in the new economy.

However, in order to obtain as full a picture as possible, it is necessary to look not only at the roles the industrial actors occupy at present, but also at their recent history. This could be of particular importance not least because many of the holders of important positions today started their careers before the recent system change, and we are unlikely to understand their views and actions if we lack an insight into the rules which governed 'IR' at that time. More generally, people's views and behaviour are likely to be influenced by past experiences quite independent from whether their present role has nominally remained the same or not. These experiences include the nature of 'IR' in the past, and various choices of action resulting from it for the different groups of people involved in shaping the rules of the labour market.

1. 'Industrial relations' in socialist Hungary: the role of the State and Party, unions and management

The proclamation of the 25th congress of trade unions in 1949 sets the scene for the development of 'IR' in socialist Hungary: here, it was established that there was a single interest in society, and that the party had the authority to designate and guide trade union policy and practice (Tóth, 1994a, 87-8). In other words, state,

trade unions and employers were seen to be able (and were compelled) to act harmoniously, on the basis of the 'single interest in society', which was perceived to result from socialist (i.e. predominantly state) ownership of property. The state prescribed the 'one best way' concerning joint social action. It supervised the targets set by bureaucratic control. As a consequence of this, neither employers nor trade unions could be regarded as autonomous actors. The former consisted of state bureaucrats, who closely followed detailed instructions when taking care of state property. Similarly, trade unions, at least until the mid-60s functioned mainly as transmission belt. Their job comprised the passing down of central decisions to workers, as well as mobilising workers to fulfil the plan targets (Héthy, 1992b, 168). Let us look in more detail at the roles trade unions, management and the Party used to play, as well as at the relationship between these actors.

1.1. Trade unions and workers' representation via the bureaucracy²⁵: from a monolithic structure to enterprise unionism

In socialist Hungary trade unions were organised in a highly centralised way. Federations were formed on the basis of branches of the economy, and made up the dominating national confederation SZOT (Héthy, 1992b, 169). Locally organised union sections had to reorganise into enterprise sections. Here the organisation was monopolistic: in one company, there was only one union section which organised all employees. No distinction between professional divisions was made (Tóth, 1994b, 2; Ladó, 1994, 10).

Trade unions' policies basically stemmed from the obligatory decisions of the party, which decisively influenced the (s)election of the trade union leadership. While economic areas such as wages and benefits were determined in the planning process, the unions' main tasks were related to social welfare. Due to their transmission-belt function, trade unions were effectively part of the political-economic management. They had a control function ensuring that workers acquiesced in terms and conditions. While collective agreements existed, collective bargaining or collective action did not find recognition (Héthy, 1992b, 169; Thirkell et al., 1993, 4; Tóth, 1994a, 88-9).

²⁵The term 'bureaucracy' is to denote the party (-government) apparatus present in socialist countries. Although legalistically, party and government are separate entities, in contrast to most non-socialist countries, the party is not only a political movement, but an apparatus in charge of all public affairs. So in practice, government and party are intertwined, with the party leading the joint operations (Kornai, 1989, 37).

Reforms in the mid-1960s resulted in a kind of mixed economy, and in the loosening of tightly centralised economic management. With the introduction of the New Economic Mechanism in 1968, companies' independence from central government grew significantly: enterprises could now devise their own internal production methods, managing style and labour and welfare policy. As the control from the centre became more lax, unions were able to take on two roles simultaneously. While the transmission belt function was retained, some scope for manoeuvre emerged now, which allowed for the representation of workers' interests (Tóth, 1994a, 89; Ladó, 1994, 8).

Yet, the new double function of trade unions proved quite an uneasy combination of tasks: the attempt to improve workers' living and working conditions could easily conflict with the traditional unions' efforts of promoting production, and was even less in accord with the 'worker is owner' ideology, which constituted the basis of the unions' transmission belt role. This dilemma for the unions gradually faded with the reforms affecting the whole of the economy and with the role of the party weakening. It was from this point in time when trade unions could -at least in theory- emphasise the representation of workers' interests (Ladó, 1994, 8-9). As a consequence, far reaching changes in the organisation of the union itself emerged: on the one hand, the façade of the monolithic structure of the trade union movement remained untouched, on the other hand, the traditional hierarchical order became less rigid, and local trade unions gained an unprecedented measure of independence from the central bureaucracy. A covert enterprise unionism began to develop, which found its legitimacy in the Labour Code in 1968. Here, multi-employer collective bargaining was outlawed, and the arbitration right of the upper level of the union hierarchy confined to the cases of disagreement between management and enterprise union section. Moreover, the Code made collective bargaining at company level obligatory, thereby deferring all trade union rights to the local level (Ladó, 1994, 9; Tóth, 1994a, 90).

In 1975, unions were conferred the right of giving their views on the distribution of profits within the firm. From 1976, in the wake of a re-assessment of the union steward's role, wages, bonuses, norms and benefits of workers could not be altered without the agreement of the shop stewards, who also had control over most social and cultural grants. Parallel with this development, the union councils at local level were eliminated, so that the 'board of stewards' represented the only channel of enterprise democracy, as well as the highest local union instrument (Noti, 1987, 66; Racz, 1984, 545; Swain, 1992, 155-6).

While so far, our focus has been on the location of the trade union in relation to the party-state apparatus, a better understanding of production relations obviously also demands the examination of the labour-management relationship, and its consequences for the actual representation of workers' interests. In the following section, the emphasis will be on those factors in the relationship which could have prevented unions from acting as independent agents.

1.2. Trade unions and workers' representation via management: an interdependent relationship?

On the face of it, unions seemed to hold a strong position in relation to management in socialism: they enjoyed extensive rights of suggestions and vetoes in decisions affecting labour; they took up cases of individual injustice in relation to workers; the 1968 regulation confirmed their traditional role in the area of social benefits and working conditions as well as granting them the right to voice their opinion on the appointment of managers; they could veto in cases of breach of the collective agreement; and the areas in which shop stewards could express their views were extended in 1980, when they were given encouragement to provide an annual evaluation of the performance of management (Swain, 1992, 155-6; Racz, 1984, 546-9).

However, the strength which unions had on paper looked somewhat different in reality. Not only did the party retain its significant role in decision making at local level, but there were also difficulties concerning the power of the stewards in relation to their role which allowed them to critically assess management, and both, stewards and workers operated in a stifling atmosphere of high authorities. In some cases, dictatorial directors could intimidate workers and deter them from voicing criticism. Standing up against party secretaries and managers at open meetings, i.e. against experts and power holders, was practically out of the question. Furthermore, supervisory organs and ministries tended to play down or ignore workers' evaluation (Racz, 1984, 548).

Other possible explanations for the reluctance of unions to exercise their rights are related to the unions' structure and staffing practice, to the manner in which their role was conducted as well as to the nature of their functions. Concerning the structure of unions, it needs to be remembered that each enterprise had only one union section, so that directors, managers and their workers were members of the same local union. This local union was organised in a way that

"each level of the company hierarchy had a corresponding union activist partner: a shop steward corresponded to a foreman, a senior shop steward corresponded to a supervisor and a secretary corresponded to the director respectively. Alongside the vertical structure there were trade-union committees corresponding to the functional departments of management: the social and welfare committee corresponded to the welfare department, whilst the economic committee corresponded to the financial department. The executive committee was the top board of the section. It consisted of senior shop stewards and the presidents of the functional committees" (Tóth, 1994a, 90-1; cf. also Ladó, 1994, 10; Tóth, 1994b, 3).

It seems that the 'success' of such an arrangement much depends on the staffing practice of the various posts, and it is here where the likely origin of the central problem with trade unions at local level lies. Often, it was middle and lower management who occupied union leadership positions; and in the majority of cases, foremen, head of sections or deputy supervisors could be found in (senior) shop steward positions (Tóth, 1994a, 91). As a corollary, situations occurred where, for example, the president of the executive committee filled the double role of a deputy supervisor and the senior shop steward at his shop.

With the dominance of foremen and administrators in workplace trade union committees -i.e. representatives from lower management rather than from workers- there was a small chance that the interests of the shopfloor workers could find wholehearted representation. There is further evidence that management also dominated the enterprise-wide trade union committee. One of the examples which Swain (1992, 156) cites is an enterprise trade union committee which consisted of fifteen persons. Out of these fifteen, there were only three manual workers, whereas the twelve other members were chief departmental heads, group leaders or full time trade union functionaries.

And although full-time trade union functionaries received their salaries from the trade union (at a level equivalent to that of a manager), they were also candidates for profit share and bonuses from the enterprise. They therefore had a substantial material interest in identifying primarily with the company rather than the workforce (Swain, 1992, 156-7). "In a very real sense they were simply managerial-status enterprise employees with a particular responsibility for staff" (Swain, 1992, 157). More than this, trade union posts were indeed perceived by workers and managers as being exactly of this nature. Management and trade union (as well as party) posts constituted in effect a single managerial career structure. Trade union officials would often have worked at some management level prior to their appointment, and would return there. Hence, they would be cautious not to

antagonise their former colleagues and put their future career prospects at risk (Swain, 1992, 157; Tóth, 1994a, 91).

In short then, the staffing of the company union was characterised by the intrusion of managerial personnel into union leadership, the financial dependence of union functionaries on the firm, and the determination of career paths by the enterprise. In addition, we should also take into consideration personal ties, which may have crucially defined relationships between union and management. Tóth (1994a, 91-2) provides the example of the trade union secretary, who started his apprenticeship in the early 1950s in the same shop as his friend, who had become the director of the firm.

On the basis of this situation, how can the relationship between unions and management be described? It seems that in many cases, the term 'peaceful coexistence' is not far-reaching enough, since 'coexistence' presupposes the representation of different stances. So it appears more appropriate to employ the concept of 'collaboration', dominated by mutual trust between the parties and by consensus rather than conflict, although co-operation could sometimes be enforced through intimidation (Héthy, 1992b, 168; Tóth, 1994a, 92).

Where did such a situation leave workers? One of the most striking features of bargaining processes was certainly the phenomenon of individualisation. Workers were more or less left to their own devices.

"The union did not fight for equal terms and conditions for an equal job and did not look out for breaches of the Labour Code. The union did not bring work to a stop because of health and safety danger" (Tóth, 1994a, 95).

And individualisation extended to the grievance procedure: if a worker who had launched a judicial procedure for legal redress won the case, then every further call for redress would remain an individual case, and the award determined anew. It is indicative that in the judicial process, unions provided the lay jury, and were supposed to act impartially. They were not representing their member against a management case, nor would they use the facts of an individual case and expand the issue into a collective dispute (Tóth, 1994a, 95-6). So we have to ask the question how, if at all, workers were able to pursue their interests.

1.3. Workers: organs of workplace democracy and individual strategies

Formally, perhaps the most effective institution for the articulation of the direct interests of workers at enterprise level were the production meetings. The purpose of these meetings was to provide a forum for workers' suggestions to management and, more generally, the opportunity of dialogue between management and workers. However, empirical evidence demonstrates that management perceived the purpose of the meetings rather differently. They tended to regard them as occasions for the downward transfer of information, and did not use them as possibilities for the mutual exchange of views. In fact, in most cases, managers would neither know of the democratic rights legally invested in this institution, nor the areas of its competence (Swain, 1992, 159-60).

In addition to this, there was the problem of activating workers to voice their views on matters of the firm, which may have been rooted in the actual organisation of workers' participation bodies. Meetings were often organised hurriedly between two shifts and under time pressure. Furthermore, workers could easily feel intimidated. The large number of people attending such meetings would discourage them to speak up, and there was the risk of attracting negative attention from superiors, which could result in being given a less well paid job (Swain, 1992, 160-1; Héthy & Makó, 1977, 17).

Research on production meetings in Győr showed that in spite of 90% of the workforce expressing the wish to have a say in general enterprise affairs, the agenda of the meetings was unlikely to attribute importance to the matters of serious concern to workers. In factories in Győr and Budapest,

“ [e]asy questions' were answered by management at these meetings on the spot. 'Difficult questions', such as the need to clean factory windows in order to illuminate the factory better, were replied to in writing within seven days, while 'awkward questions', such as wages and norms, were not even recorded in the minutes of the meetings” (Swain, 1992, 160-1).

On the basis of these problems, it is understandable that some areas of decision-making concerning the firm lent themselves more easily to workers' participation than others. Research in the Hungarian Railway Carriage and Machine Works has yielded the result that the majority of workers were willing to volunteer their opinions on those matters of direct concern to them. It was issues more remote to their interests which they preferred to leave to the exclusive attention of management (Héthy & Makó, 1977, 14). The best participation issues were, for

example, organisation of jobs, wages, and working conditions, i.e. those areas directly related to workers' positions and experiences in their workshop. Here, the implications of decisions were such that they were closely related to worker's real and perceived needs (Héthy & Makó, 1977, 12-3).

Yet, even the discussion of those specific issues did not automatically prompt participation. Where workers observed that their interests were adequately taken into consideration by the party organisation or management, they felt less of an urgency to become active at union level.

"From many years' experience the workers had learned that to resolve their problems and safeguard their interests they could turn to management or to the Party with a greater chance of success than to the trade union. Managers often resented the 'fault-finding' shop steward, and even the Party organs within the enterprise did not care much for a steward with a will of his own" (Héthy, 1981, 495).

It has also been claimed that, despite the lack of formal representation, workers in the socialist state were never completely powerless, but had substantial individual bargaining power. Köllö (1993, 280) refers to the informal set of small freedoms which workers possessed, the forms of resistance and evasion, as 'everyday power'. He contrasts this type of power with organised forms of collective action. While 'everyday power' can also be found in non-socialist countries (for example, the phenomena of feigned ignorance, false compliance and sabotage), the specific feature of the state socialist situation was the way in which the economic system helped to generate 'everyday power'.

"In a seemingly paradoxical way, the creation of a totalitarian political power -depriving workers of their collective rights- brought about an economic system which in many respects biased the cost-benefit structure of individual bargaining in favour of the worker" (Köllö, 1993, 280; cf. also Héthy, 1992b, 170).

One of the sources of such power consisted of the chronic labour shortage, which provided workers with effective means of protest. Management would rarely enforce the sanctions which were based on legal restrictions of mobility, since the firm's search cost for labour was usually very high (Köllö, 1993, 281-2). However, wages could still be kept low to a degree where average wages nationally were close to the poverty line. An average wage control was in place, and economists agreed that, in comparison with capital, labour was very much undervalued, although there were attempts to rectify this state of affairs in 1976 and 1985 (Swain, 1992, 165-6). It may then be the case that the power gained by workers from a

situation of full employment allowed them to show a lack of work commitment to their job in the first economy, and to channel some of their energy into the 'second economy' in which people could complement their poor earnings. Considering the large size and complicated nature of the second economy in Hungary, its meaning merits detailed attention.

It has been argued that the concept of the 'second economy' has found its most rigorous and theoretically cogent definition in István Gábor's work, who first used the term in a pathbreaking essay in 1979. Putting it crudely, he defined the 'second economy' as non-socialist sector economic activity in the following two senses: the term refers, a) to the total of the formal and the informal private sector. The former is distinct from the latter in that the private ventures we find in the formal private sector are officially licensed by the bureaucracy. It includes b) income which does not originate from labour services performed in the first economy, i.e. in government agencies, officially registered nonprofit institutions, state-owned firms, cooperatives and private formal business. These two aspects are not necessarily overlapping. An example for b) would be 'thank you money' received for work in government agencies. Hence, the criteria used for describing the 'second economy' are not the same and as simple as the criterion commonly used in context of the 'shadow' or 'black' economy: illegality. Rather, many activities in the second economy can be legal, income-creating activity outside the sale of labour to the socialist sector (Kornai, 1989, 56/7; Stark, 1989, 137; Swain, 1990, 137/8).

According to surveys, two thirds of the labour force participated in the second economy in 1985, and therefore had access to extra income (Köllö, 1993, 283-4). The fact that labour productivity was very low by international standards seems to have been an inevitable concomitant of this situation. Even compared with other countries in the region, the second economy in Hungary was significantly larger, which can be interpreted as a consequence of the more liberal Hungarian economic system (Sziraczki, 1992, 95; 98).

We may be able to distinguish between different groups of workers, and their individual strategies in the two economies. The 'elite' workers, or 'wage optimisers' were the main actors in informal firm bargaining. They consisted of skilled, typically male workers who were over thirty-five years of age. Due to their importance to the firm, based on their firm-specific skills and their knowledge of informal channels, they received relatively high wages, even if this meant employing workers on low wages in other parts of the company, so as to keep the

average wage in balance. They usually monopolised overtime (Swain, 1992, 180) and thus tried to optimise their pay with the job in the first economy.

Another group would be the 'wage maximisers', who were typically semi-skilled with recent qualifications. They tended to be young, and did not have the informal ties the 'elite' workers possessed, and were more likely to be dispensable for the firm. Their strategy was to engage in as much overtime as possible, while also moonlighting whenever the opportunity arose, and to bribe foremen into the concession of overtime or a well-paying job. As piece-rate workers, they would put pressure on hourly paid workers to co-operate with them in the attempt to meet tight norms; they could 'cheat the norm' or illegally manipulate machines so that more could be produced (Swain, 1992, 180).

There were also 'marginal workers', who were overwhelmingly unskilled and to a large degree consisting of women. They were mobile for similar reasons as the 'wage maximisers': due to their lack of skills, no ties to any particular firm were established and their high fluctuation rate meant that they were not entitled to those benefits available to the longer-term employed, such as pay increase, bonuses, or family allowances. In harvest times, such workers would often leave full-time employment completely, concentrating on agriculture for some time, but returning to the previous job once the harvest was over (ibid. 181-2).

In short then, workers' interests were pursued not collectively, but through individual action. The fact that labour shortage coincided with a well established second economy allowed workers to develop various labour market strategies. Through shirking, absenteeism and mobility, workers followed their individual interests, often related to work in the second economy. Loose control and low expectations of efficiency on the part of management, at least in relation to low grade jobs, helped this development along. Workers could bargain individually with supervisors, trying to work disproportionately high overtime or to receive extra bonuses and benefits (Tóth, 1994a, 95).

1.4. Management via the bureaucracy

Turning to the relationship between management and the bureaucracy, it has to be borne in mind that, in socialist Hungary, employers' organisations were non-existent at medium level, although certain 'substitutes' for such organisations can be identified. They represented and defended the economic interests of the firms

(similar to a chamber of commerce or a lobby group), were organised along economic branches, and hardly entertained any contact with trade unions. Similar to the trade unions, they functioned as transmission-belt, trying to make their membership accept decisions of the bureaucracy while simultaneously attempting to exert influence on decision makers in order to achieve an acceptable outcome for their members (Ladó, 1994, 10).

With respect to their power positions, trade unions seemed to have had an edge over the organisations which represented enterprises. The SZOT (i.e. the National Council of branch Trade Unions) and large branch federations had a fixed role in negotiations with the State. By contrast, employers' organisations lacked such a right, and only particular branch-lobbies (e.g. mining, heavy industry, agriculture) were allowed access to negotiations. The right of consent, which had been awarded to the unions, was denied to the Chamber of Commerce²⁶ (Ladó, 1994, 11).

At local level, just as with the trade unions, the New Economic Mechanism of 1968 assisted management to gain gradual independence from the State, i.e. from branch ministries. Their responsibilities increased as well as their interest in the results of their firms (Ladó, 1994, 8). Still, measured by the standards of the market economy, management's control was very limited. It was confined to the product mix within the framework of the firm's permitted profile, and to pricing, where products were in the free or flexible pricing categories. Another area of control was that held over labour, but the exercise of such rights as selecting, employing and dismissing manpower was limited because of the endemic shortage of labour (Swain, 1992, 159).

However, management's scope of action could vary depending on the economic sector: shifting from state, to co-operative, to private and from the first to the second economy, fewer constraints seemed to have been imposed on managerial decision making by the centre. At the same time, the role of market forces became stronger, and the link between pay and effort closer (Sokil, 1990, 55).

So it maybe useful to think of two types of Hungarian firms under socialism: the first would comprise large state enterprises for whom profit maximisation was on the agenda, but only below other goals, such as the fulfilment of contractual deliveries, the growth of labour productivity, the supply of the domestic market

²⁶The Chamber of Commerce was the most powerful organisation representing enterprises in the state industry (Ladó, 1994, 10).

with consumer goods, and even the decrease of the number of white-collar workers. Autonomy of management was limited as ministries may have retained their power over important areas, for example the setting of bonuses and conditions (Sokil, 1990, 55). Sanctions for inefficiency were kept to a minimum, due to the reluctance of authorities to bankrupt losing firms - the 'soft enterprise budget syndrome'.²⁷ Despite a budget constraint which demanded some financial discipline from the firm, this constraint was 'stretchable' at the discretion of the higher authorities, and therefore not strictly binding. Throughout most of the socialist period, subsidies in this area amounted to as much as one third of total fiscal expenditures. The combination of such policies together with the lack of competition in the domestic environment contributed significantly to the persistence of features such as poor cost-sensitivity and poor adjustment of output patterns to changes in the demand conditions of the domestic and foreign markets (Brada & Dobozi, 1990, 8; Kornai, 1989, 45).

The second type of firm refers to small co-operatives and private enterprises. The primary goal here was profitability, and if this objective could not be achieved, the enterprise was dissolved. The main constraints faced by these firms were of a legal and economic nature. It has been maintained that while these small firms had a competitive edge in the labour market due to their independence from wage regulations which are operating in the state sector, the large firms led in the market for capital (Sokil, 1990, 55-6)

1.5. Summary and characterization of IR in socialist Hungary

Let us briefly summarise the previous sections by trying to determine the nature of IR in Hungary over time. Looking at the immediate post-war phase, we find an IR model of the classically planned economy, which was rooted in the idea that state, workers' organisations and employers would act in full harmony. This assumption was based on the fact that socialist -i.e. mainly state owned- property was the presumed guarantee for one prevailing social interest.

²⁷ This 'syndrome' is rooted in the two following conditions: first, the dependence of prices on political negotiation (rather than on market forces) and second, the presence of a paternalistic relationship between state and enterprise to a degree where the firm's continued existence is more a political than an economic decision (Burawoy & Lukacs, 1985, 725) In fact, empirically, there does not seem to be any substantial positive correlation between the persistent loss making of a firm and decisions by bureaucratic procedures on its final liquidation or its absorption by another state firm (Kornai, 1989, 40).

"The state worked out the 'one best way' for joint social action in the framework of the central planning system and closely supervised the implementation of the targets set by similarly rigid bureaucratic control. ... The state, the employer and trade unions constituted one monolithic block of power with no distinct separate functions" (Héthy, 1992b, 168-9).

Trade unions' autonomy was curtailed, for example, by the abolition of union elections, the de facto abolition of the right to strike and the removal of uncooperative leaders. Autonomous partners to represent different interests and who would possess distinctive instruments, such as strike, to achieve their goals were absent. Where conflicts occurred, they were interpreted as an outcome of individual misbehaviour and treated as a violation of law and 'socialist morality' (Héthy, 1992b, 169).

In other words, a type of what Mishra (1984) termed authoritarian corporatism was in place, with its hallmark of involuntary co-operation imposed by a ruling elite. Civil and political rights of citizens were restricted, and unions integrated into the state apparatus by force. This contrasts with the liberal (democratic) form of corporatism with its voluntary framework, which is embedded in a pluralist society of civil and political rights. Certain legal constraints, for example, on wage agreements or strikes are absent here. Mishra takes liberal and authoritarian forms of capitalism as matters of degree, which are to be thought of in terms of a continuum (Mishra, 1984, 106-107). It could be useful to think of such a continuum in the context of the evolution of Hungarian IR .

Undoubtedly, post-1968, Hungary was gradually distancing itself from authoritarian corporatism. Reforms provided trade unions at least in theory with the opportunity to re-define their role from an exclusive 'transmission belt' function to a role where the representation of workers' interests were added. Firms regained some degree of autonomy and room for manoeuvre which led to workers and managers recognising their own interests.

"Workers behaved increasingly like wage earners, and wanted to take all the advantage of the less rigid wage regulations. Managers, becoming practically independent from line ministries, became increasingly responsible for and interested in the result of their enterprises" (Ladó, 1994, 8).

Concerning the two types of Hungarian firms mentioned above, it appears that to some extent, large State enterprises should have developed some characteristics similar to those of small cooperatives and private enterprises.

While there has been a steady departure from the authoritarian model of IR during the past two decades, the Labour Code of 1992 represents the most recent document testifying to the incorporation of 'liberal standards' in Hungarian IR. However, evidence of how it has been implemented is still sketchy (Héthy, 1992b, 172).

2. IR in transition: Possible factors defining IR at enterprise-level today

With the transformation, employers and unions were eager to see the end of central wage regulation. The former regarded wage issues as an internal affair of enterprises, whereas the latter believed that wage regulation from the centre could constrain employees in bargaining locally, where a chance was sensed of increasing pay at a time when real wages were decreasing. With the abolition of the central wage fixing system and the creation of a relevant legal framework, collective bargaining at the intermediate and local level should have been encouraged. The idea of bargaining at lower levels was also to be promoted by the national tripartite forum 'Council for the Reconciliation of Interests', which has only utilised its power partially, and not taken advantage of its right to negotiate wages at national level. It contented itself with developing guidelines on income increases in every year (Berki & Ladó, 1995b, 203-211). What can be said about the development of IR at those levels? It seems that research beyond the legal aspects of IR has been rather tentative and of a small-scale nature. Still, some statements can be made about the place trade union and employers' organisations occupy in Hungary today.

The reasons for clear progress in the development of trade unions after 1988 is perhaps partly due to the challenge the 'old union' encountered with numerous, independent unions appearing. This development necessitated quick organisation, as well as the establishment and demonstration of legitimacy. It is the latter criterion which is likely to have also affected management circles: it has been argued that a new management legitimacy has emerged, which is based on political impartiality and knowledge in the areas of market, management, and the modernisation of production. This takes place in a new framework, in which management is freed from its former political obligation to involve unions in the decision-making process (Tóth, 1994a, 97). Concerning employers' organisations, it still appears that their gradual unfolding is characterised by a chaos which by July 1994, researchers of the ILO Central and Eastern European Team had hardly been able to penetrate; it is marked by a reluctance of the members of employers'

organisations to disclose their plans and positions. As was pointed out in Chapter 4, while employers are present at the national level in tripartite negotiations, they are hardly visible at branch or regional level. Employers are involved in collective bargaining at enterprise level, however, and in the drawing up of collective agreements. Here, two trends are identifiable: first, in many firms, a re-negotiation of collective agreements has taken place, which enabled the new workers' representatives to introduce modifications to the previous agreement. Second, agreements have become broader in their content, and now, guarantees of employment security play as important a role as wage related issues. However, even if we evaluated this development as 'progress' in collective bargaining, it still appears to be the case that the traditional system of informal individual and group bargaining has remained in place (Ladó, 1992, 121).

Bearing in mind that most firms with collective agreements consist of the former state enterprises whose traditions of collective bargaining have been very controversial, it is important to explore how far the previous arrangements, i.e. the ties between enterprise union sections and management, have survived. There are hardly any clear answers so far. Researching on IR at firm level, Tóth (1994a, 97) concluded that

"it is my experience that the financial and personal dependence of the unions, the strength of old traditions and customs, and personal relationships, have up to now far outweighed countervailing forces. Although the enterprise union sections have retained their formal autonomy, it is still an open question whether they will be able to transform themselves into an organisation capable of acting on behalf of their members, or whether they will remain organisations controlled by management, and whose function will again be to prevent the expression of the voice of workers."

Notwithstanding the obviously well-founded pessimistic view on the future of enterprise level IR, it is certain that with the new institutional framework of IR and labour legislation²⁸ -maybe accompanied by a new philosophy underpinning IR- new possibilities have emanated (Héthy, 1993, 19-20). Now, the potential for divergence from the 'collaboration' model of IR towards one more aptly characterised by conflict and the more independent representation of workers'

²⁸Beginning with the amendments of the 1989 Labour Code, and being completed with the new Labour Code of 1992, legal obstacles were abolished which had severely limited free collective bargaining in the past decades; "the Strike Act (1989) provided the (earlier missing) regulation of collective labour disputes. The rights were coupled with new economic manoeuvring space, as past administrative wage determination by the state - setting strict limits for both partners in bargaining- was gradually loosened up and finally abolished (1989-92). Trade unions (considered to be representative) were given the right to negotiate and conclude collective agreements on the part of labour" (Héthy, 1993, 8).

interests certainly exists. In fact, it has been pointed out that with the economic transformation, the Hungarian government chose a neo-corporatist approach to the industrial relations system, for example by maintaining the Council for the Reconciliation of Interests and by enforcing national and sectoral agreements (Héthy, 1992a, 65).

However, also for the sake of conceptual clarity, we should be aware of some features in the Hungarian system which distinguish it from those countries which are said to “offer us the experience -more or less successful, more or less stable- of corporatism” (Mishra, 1984, 108-9). Examples *par excellence* here are Austria and Sweden. The essence of their institutionalised form of social partnership is the recognition that consensus among employers and workers is an imperative if a modern industrial market economy is to function smoothly. Hence, in both countries, full employment was accepted as a social objective by employers, while the need for wage moderation and higher productivity to obtain economic growth and social welfare was recognised by the unions (Mishra, 1984, 104).

“[T]he interdependence between the economic and the social is acknowledged and the relationship, including the trade-off between economic wages and social welfare, wage levels and inflation, inflation and unemployment, forms the basis of the general policy approach” (Mishra, 1984, 111-2).

It is important to note that consensual IR in Hungary can hardly be characterised by such an acknowledgement of inter-dependent macro-economic factors, but is seen to be predominantly based on micro-economic and personal considerations, as well as on past arrangements. This has implicitly been suggested by Héthy (1993, 20-1) who named the following three conditions among others to explain the continuing presence of enterprise level collaboration in Hungary, even if it occurs in a modified form today when compared to the past. Héthy argued that continued co-operation has been based on shared feelings of insecurity in the face of privatisation. Management may regard joint coordinated efforts as a way of dealing with the risk of losing their positions; unions with the risk of losing membership; and employees with the risk of losing jobs. He also took into consideration the scenario that in the context of both, unions’ as well as management’s search for legitimacy, one obvious approach to this goal is joint effort. Moreover, there is the possibility of traditions and customs persisting: especially those who have been trained in the previous system would simply continue in their role, thereby seeking co-operation, and avoiding conflicts.

It seems that such explanations are particularly worthy of closer scrutiny not least because what is noticeable in the sample of firms in our study is the absence of collective action. In none of the firms have unions actually resorted to the weapon of strike; we will see that only in one case has there been the threat of such action, and only in one other case, open conflict has emerged in so far as the trade unionist of a state firm complained about perceived mismanagement to members of the government, and demanded a substitution of personnel. Of course, even in the absence of the 'last resort' of collective action, this does not necessarily mean that IR are smooth. We can now refer to our data in the attempt to shed some light on the elements which may have defined the relationship between the two industrial actors in various forms, and which can indicate how autonomous they are in their action. On this basis, it may also be possible to assess to what extent and under what circumstances workers' representation has become more effective.

Looking at the nature of IR in the firms of our sample, i.e. the extent to which management and union sections seem to have common objectives and where interests diverge, the aim was to draw out the factors which were likely to have shaped those relations at firm level into either a conflictual or consensual style. Following this and presented below, a classification of factors into four categories took place, in the process of which Héthy's explanations could be dealt with. Finally, some conclusions were drawn about possible indicators of (in)dependent union action.

It should be understood that in what follows, it is not the objective to pass judgement on how accurate unionists and managers were in their views on certain matters, which could have influenced IR in their firm. Rather, since we want to know what defines the current nature of IR, our primary interest is directed to the perception of certain issues, and to the 'realities' of individual interviewees.

2.1. Transfer of potentially conflictual issues to areas outside local IR

One feature of IR which recurred in interviews was a transfer of potentially explosive issues for the relationship between union and management (e.g. poor pay (increases); the inability of management to render firms competitive and profitable) to areas outside local IR. So in some cases, such issues had little or no detrimental impact on the existing consensual approach to IR, because forces other than management and unions were found and at least partly made responsible for certain disadvantageous conditions in which firms found themselves.

In one private firm and in one of the public limited companies,²⁹ trade unions attributed grievances to policies planned or implemented by the government, thereby being likely to release some pressure from management - at least in the short term. It is important to note that these two firms were part of the clothing industry, where wages are known to be particularly poor, so that workers here are especially affected by certain taxation and income policies, which may take their earned income well below subsistence level. Dissatisfaction was expressed, first, with the Finance Minister's declaration that in 1995, pay increases would have to remain 5% below the inflation rate. Such policies were judged to be unjust if applied uniformly across all industries, as those with low levels of pay would be affected more severely than other industries. This concern was shared by the branch union of this industry, and the issue had also been discussed by the National Confederation of Hungarian Trade Unions (MSZOSZ), of which all local unions in the sample were a member.

Another source of complaint about governmental policies by two trade unionists was the recently introduced tax system, which was compared to the Swedish one, while earnings were said to be still of Eastern European level. Here, it is noteworthy that the issue of taxation, more than just diverting potential conflict between management-trade unions to the unions-government relationship (as could have happened in the 'pay increase' example), may indeed have worked as a unifying force. In fact, three management interviewees also referred to the perceived unsuitability of the Hungarian tax system, which was said to have a detrimental impact on firms.³⁰

Certainly, just as much as it is in the interest of individual employers that taxation on their workers' pay is kept to a minimum, not least since this could mean that workers are satisfied with a smaller net wage than otherwise would be the case, unionists may advocate low indirect labour costs for employers. As one unionist

²⁹In the context of the macro-process of marketization and the privatisation programme in Hungary, Héthy (1993, 3) identifies two phases. The first one consists of state enterprises transforming into an economic association (i.e. a limited or share company), and the second phase comprises the partial or full sale to investors. Nine firms out of the thirteen in our survey still find themselves in the first category with the State holding 49% of the shares in one case, and over 51% in all other cases. Of the remaining four - all of them in the clothing industry - three had been privatised after 1989, and one of them had started private before the latest economic turn, and had always been without union representatives.

³⁰Here, it maybe useful to know that "[i]t has been found that the share of direct costs (especially direct wages and salaries) within labour cost has been relatively lower in Hungary than in EC countries. At the same time the proportion of costs of social security and other social expenditures has been relatively higher than in most EC countries. Only Italy has a similarly high social security cost share" (Hungarian Statistical Office, 1994, 4-5).

pointed out, her union section would prefer minimal employers' contribution to, for example, social security, because this was seen to make more money available to management for wage expenditure.

In addition to present policies, the representative of the branch union for textile workers also made the past government's policies responsible for the current technological and economic situation of the textile industry. He argued that five to six years ago, the government aimed at lowering the inflation rate by means of instructing banks to reduce the amount of credits usually granted to firms. When the banks followed the order, firms did not have the resources for further production, and were also unable to pay their debts. Firms have still not been relieved from this burden, so that their economic situation is determined by the past, as well as the present. The result of this is that today, enterprises would be profitable, was it not for the legacy of past problems, which are not being dealt with today, and which significantly limit the range of possible strategies enterprises could pursue to save themselves.³¹

Other determinants of the economic conditions of firms which were cited by several interviewees, on the union as well as on the management side, were of a macro-economic kind: interviewees from eight enterprises in the sample explained that a significant proportion of their Eastern European market had been lost, mainly in the former Soviet Union.³² At the same time, there were problems with gaining access to the Western European market, as it was felt that the normally produced goods required a higher quality standard in order to be competitive, but money for technical innovations was missing. In this context the issue of privatisation was often dealt with.

In six of the eight cases in which the prospect of privatisation was evaluated, interviewees directly expressed their hopes in this possibility.³³ Technological innovations were regarded as the only strategy to render firms more competitive, and the one way of obtaining the required resources was judged to be private

³¹This comment is in tune with findings published by the Research Institute of Labour. It was argued here that one consequence of the increasing state budget deficit is that "the state deprives the enterprises of the available domestic loans. [T]hus, the domestic source of investment gets clogged" (Frey, 1995, 2).

³²Four of those interviewees belonged to metal working firms, three to textile companies and one to a clothing firm.

³³Interviewees with a positive attitude towards privatisation comprised three trade unionists and one manager from the light industry, one manager from the heavy industry and the metal branch trade unionist. Interestingly, where one trade unionist from a clothing firm was optimistic about the prospect of privatisation, her management equivalent expressed pessimism.

investment. While most interviewees assumed that with the improved economic situation of the firm following privatisation, higher wages would accompany this development, only two referred to the possible scenario of cut-backs in social provisions or lower wages as the price to pay for privatisation. Hence, as opposed to Héthy's explanation of a co-operative nature of IR, which suggests that the fear of privatisation would unite management and union, privatisation was mainly seen as a solution to serious economic problems by interviewees from both parties. Of course, waiting for the prosperity of the firm until it has been privatised can again have the function of distracting from management's responsibilities.

To summarise, unionists recognised various forces seemingly beyond the control of management as causal factors for economic problems which many firms face today. Once there is the perception of management's scope of manoeuvre being very restricted by no fault of their own, it seems likely that the room for conflict between the two industrial actors is small. We have seen that it is even possible to conceive of examples which can unify the two parties in a shared campaign against national policies, which are seen as being disadvantageous for both of them. In circumstances in which management and trade union regard themselves as constrained by the same factors, it seems futile to ask whether unions tend to act more independently with regard to management than before. Perhaps it is more sensible in this instance to address another of Héthy's points mentioned above, which referred to union's and management's need of proving their legitimacy. It is certainly possible that the emphasis on factors beyond the control of unions and management could be used, if not to increase their legitimacy, so at least to prevent it from dwindling. Hence, by having looked at how the union perspective of a particular state of affairs could protect management in some cases, and even lead to active co-operation, we should also be aware that such statements can simultaneously function as self-defensive instruments for those who voiced them. Similarly, if management pointed to, say, macro-economic factors causing unemployment in the firm, then this releases local unions as much as management from responsibility. In other words, as soon as a firm is portrayed as the victim of external forces, which coerce local decision-makers into one direction, then the legitimacy of both industrial partners can hardly be challenged on these grounds any more.

On the other hand, it is, of course, quite appropriate of the two actors to give an account of elements other than the decisions taken by management and trade unions which may have affected the firm. The credibility of such an account can be

assessed by looking at its coherence and consistency, and by trying to place it in the context of the general information we possess. However, in the absence of the necessary more specific economic data of particular firms which would enable us to better evaluate the accuracy of certain statements, often, little more is possible than showing awareness of the fact that the protection of legitimacy may be the ultimate motive behind some claims. As concerns the quite persuasive cases made by unionists and managers above, it seems that we are left with this last, rather inconclusive option.

2.2. Adjusting to changes in labour law

Let us turn to another of Héthy's explanations of co-operative IR, the argument that the continuity of management and union personnel in their posts can lead to the continuity of their relationship. Concerning our sample, management and union interviewees from five of the nine firms in which this theme was pursued had been in their respective positions for over five years. Three management interviewees had only occupied their posts after the recent transformation, and one unionist official had been newly elected. Considering that there were two examples where management and unionists had held on to their posts, but where the nature of their relationship had changed since the transformation, there is the possibility of a qualification to Héthy's hypothesis. It certainly is not surprising that with the recent changes in labour law, and the loss of rights unionists used to have, there are instances in which trade unions found it difficult to come to terms with their new situation - which in some cases led to conflicts. This can be illustrated with one firm of the metal industry, a limited company of which the State owned 100% of the shares, where industrial relations deteriorated after the changes and turned into an open conflict.

Here, the secretary of the local union had been in her position since 1989, but had joined the union in 1979, while the circle of management had remained mainly the same as before 1989. One major conflict revolved around the issue of trade union participation in decision-making concerning the future of the firm. The trade-unionist acknowledged and deplored the loss of rights, which occurred post-1989, and expressed resentment about the fact that there was no legal basis left on which unions would be allowed to participate in the changing process of the firm. This was regarded as the main conflictual issue also by the management-interviewee,

and his following comment is suggestive of the clear ideas he entertained about the new role unionists had to adopt, and the new and extended rights of management:

“The problem is that in the socialist era, the role of the trade union was quite different from today’s. There used to be an agreement that trade union sections can participate in all areas of the firm. So if I wanted to increase the salary of some employees, I had to seek the agreement of the trade union. But today, this is not the case any more. It is not their responsibility, for example, to decide whether somebody works well or not.” (MM)

However, while management in this one firm seemed to rigidly adhere to the rules and the boundaries which have recently been drawn for union participation, unions, too, took advantage of the new situation. They made use of the new definition of legitimacy as it is now applicable to management, and acted when they felt that the poor economic situation of the firm was the responsibility of management. Members of the Hungarian government were approached, and management -especially the General Director of the firm- accused of incompetence concerning their search for new markets. Personnel replacement was demanded.

A similar situation could be found in another firm of the metal industry, where the relationship between management and union had also turned confrontational. Management had been threatened with strike; they were accused of failing to find desperately needed new markets, and of not being innovative enough. Their defense was that money was lacking for new technology, and that innovations could be hoped for in the event of the firm becoming privatised. The fact that, on balance, management seemed to have been the dominant force despite such warnings can perhaps be illustrated with the example of collective agreement negotiations at this firm, about which the trade union interviewee made the following statement:

“We don’t usually initiate negotiations, because the trade union normally loses. Because if we find something in the Labour Code for which we could claim more than we get at the moment, inevitably, management will find something else, and say: ok, then you should get less in this area. And concerning bargaining, it seems that most of the times, we are the losers nowadays. For the next five years, we really don’t have any interest in touching the collective agreement to change it. It gives us security. Only if there are major changes, for example, in labour law, then we would have to address it before five years’ time.” (MTU)

So mistrust seems to have been one of the key characteristics in the relationship here. Again this is the case although the situation in this enterprise appears rather similar to the ones where we have found more of a partnership approach to IR: the unionist had been in his post since 1977; the Personnel Manager since 1987, and there did not seem to have been major changes in management personnel in recent

years. Explanations for this kind of relationship can perhaps again be found in the new labour legislation, which seems to have left the union with a sense of paralysis, with possibilities being confined to re-action. But as far as the particular firm is concerned, an investigation into perceptions of the potential for economic recovery of the company may also go some way towards an account.

2.3. Perceptions of the economic prospect of firms

When considering that the deteriorating economic situation of the two firms mentioned last seemed to have been quite beyond the comprehension of the trade unionists, who had tried to show their disapproval by acting in some ways, it is worthwhile noting that the firms were metal working ones, i.e. of an industry which used to be of high status in socialist Hungary. More than this, the latter firm used to be one of the show-pieces of Hungarian industry, so that expectations here today are perhaps still higher than elsewhere. By contrast, expectations in clothing and textile tended to be rather low, which is not surprising, considering that the status of the 'light industry' has never been of any significance, and pay here has always been comparatively poor.

However, there is one other example from the metal industry, which seems to diverge from the picture of the high status, strong metal working firm. Circumstances here were rather exceptional. The firm had limited company status, the shares of which were owned by the State. It employed a full-time trade unionist, who had been in her post since 1985. Bankruptcy of the firm in the near future appeared to be a possible scenario for both trade unionist and manager, and such fully expressed pessimism concerning the firm's future seems to justify the assumption that the economic situation here was one of the most precarious of all the firms in the sample.

The unionist did not hold management responsible for the poor prospects of the firm, but, in line with the first section of this paper, pointed to the changes which occurred in 1988, when the formerly big firm was split into eight smaller units, of which only two were still running at the time. The reason for the decline of the firm was attributed to poor national policies concerning development credits made available to firms, the conditions of which were said to have deprived the highly indebted firm of a new chance.

So the relation between management and trade union seemed to have remained unaffected by this state of affairs. Again, the relationship was a long-standing one, with no changes having occurred in those posts since 1985. Certainly, the trade unionist's view of the head of the firm, who was characterised by her as a 'really generous, good-hearted man' is a useful indicator of the nature of IR here, but perhaps also of the general policy pursued by the firm. This suspicion is reinforced by the personnel manager's explanation that none of the social provisions from the past had to be cut, and that they like to add to them, and do add to them all the time. Interestingly, social provisions had often been the first target of savings in other firms when they tried to better economic prospects.

The quite surprising attitude encountered in this firm could still -in a somewhat contradictory way- be related to the economic situation of the enterprise: when prospects are so bleak that all possible austerity measures do not seem to pull the firm out of its economic misery; when bankruptcy appears inevitable and will ultimately be paid for by the State, then maybe such a situation is likely to lead to an implicit agreement between the various parties to take advantage of the last resources which exist. It has to be added that although this was the only firm in our sample in which the voiced degree of pessimism about the future of the firm was such that actions with the rationale as described can be envisaged, the 'solution' found is certainly not anti-intuitive. However, the taking of such steps could easily depend on the status of the firm, which in our case was still owned by the State - the only share-holder. Certainly, the monitoring of management practices, especially in the wake of great economic changes which affected many large State firms drastically, is more difficult to achieve here, than in (small) private firms.

What can be gleaned from the context of the new labour law and the economically varying conditions of firms? The example of local unions' behaviour who saw their expectations of management unfulfilled suggests that, depending on their expectations of economic possibilities, some unionists are prepared to act independently from managements' concerns. Notwithstanding the fact that a precise definition of 'independent action' is difficult to formulate, we may want to use persisting features of the ethos which accompanied trade unions in the past as indicators for the retention of at least some part of their (dependent) role. Where such manifestation of behaviour similar to the past was identified, it is possible that this was the result of the new Labour Code, which defines unions' abilities to enforce their claims quite narrowly.

Unionists could have uneasy feelings about the fact that their scope of activity has been reduced, even if this was the case only formally, and in practice, the situation has not altered very much, but even consists of some clear gains - like the right to strike. Still, trade unions once possessed entitlements to be actively involved in the area of decision making, and in some cases certainly took advantage of those, so that the law now was regarded as confining them to re-action. It remains uncertain whether complaints about the limited scope of action were genuinely felt to impede upon unions' work, or whether such feelings had been overemphasised in interviews for purposes discussed earlier: when failure of unions to achieve some of their objectives can be attributed to a state of affairs outside their influence, the question of the appropriateness of their actions is unlikely to arise.

It could be just a matter of time until the apparent tendency to look back nostalgically will be replaced by the determination to use what is available, and to find the firmness to stand up against management in negotiations. Due to the particular meaning collective bargaining had in the past, the two partners need to get accustomed to new approaches to IR, including the possibility of collective action. The newly acquired right to strike could prove effective in attempts to sanction perceived inappropriate decisions by management. Employing means of collective action, however, presupposes the recognition that such action is preferable to the past arrangement of leaving improvements of situations to individuals. Furthermore, in the Hungarian context, this type of action by unionists will also depend on the resolution of problems surrounding double roles.

2.4. 'Double-roles'

Another legacy of the past on which much emphasis has been put above consists of the various constellations of positions trade unionists and managers occupy, and which may crucially define relationships between trade unions and management.

There is the 'double-role' situation, where trade union secretaries hold management posts at the same time. In two firms, one privatised, and the other a limited company with the State holding the majority of shares, the trade union secretaries were in leading positions in production. The union section's secretary of the first firm we will look at, a company in the textile branch, was the head of the maintenance workshop, thus in a lower management position. Judging from his usage of pronouns as well as from his explicit division of posts, he did not appear to identify himself as part of management -no matter of what rank:

"They [i.e. management] and I started together 25 years ago as engineers and technicians working together. But they became managers, and I am here, struggling with this thing". (TTU)

However, this nominal distinction between posts seems to become blurred when we take into account that, in this firm, management staff were actually members of the trade union -seemingly another legacy of the past, when there was only one union section including all professional divisions- and generally had been union members before occupying management posts. While this situation applied to top and bottom managers, it excluded middle-managers, whom the union interviewee accused of 'aristocracy behaviour', distancing themselves from the past and its arrangements. Still, 'double roles' were adopted by both, managers and unionists.

Hence, the question arises whether the distinction between 'management' and 'trade union' in this firm was of only nominal nature. The smooth relationship between the two parties, summarised by the management interviewee who explained that agreements can always be found without any major problems, is suggestive of that. But even if the relationship was of the collaborative kind, some data indicate that further scrutiny could be fruitful. The unionist's characterisation of his relationship with management shows that there may be elements beyond the 'double role' constellation, which can lead to a co-operative approach to IR:

"All I want to say is that we are of the same generation, have been here for roughly the same time, so in terms of mentality, there is no conflict between us. In an emotional sense also, we are all committed to this firm." (TTU)

This time, the usage of the pronouns in this quote implicitly illustrates the partnership between the two groups. What is referred to explicitly is the fact that 'they' are of the same generation, meaning that 'they' share experiences and outlooks quite independent of their roles as unionists and managers.³⁴ Moreover, their commitment to the firm is emphasised, which is based on a 25 years' work history and hence strong ties of loyalty with the firm. When asked about the practical implications of the fact that managers are union members at the same time, the union representative made the following suggestion:

³⁴It seems that this factor of 'personal relationship between the industrial actors' cannot be overestimated. In another metal working firm where IR were characterised as partnership by the unionist, the management-interviewee provided the following description of the way the collective agreement negotiations were conducted: "As far as I am concerned, I knew whom I was negotiating with, because we have known each other for a long time, and I know that they are correct and genuine partners".

"This is of no importance, because it doesn't inhibit management from doing anything. Also, trade union members cannot exercise pressure on their leaders to the effect that the trade union leader would be bound to follow their demands. But in the Party State, you had a slogan: 'even if it rains or blows' [i.e. 'against all odds'] Even if you knew it was absolutely silly." (TTU)

There are at least two aspects of this answer worthwhile noting: first, the angle taken by the unionist seems more of a management approach to the problem: it is pointed out that this settlement leaves *management* still uninhibited in their action. But the question was phrased in a way which actually left it to the interviewee to describe how far management could pose obstacles for the work of unionists by infiltrating the union; or alternatively, those difficulties could have been referred to which are likely to arise for management when identifying too much with their trade union role.

Second, it was suggested that the trade union leader, i.e. the interviewee, does not necessarily have to act as his members may prefer. He can take the final decision, and it seems to be presupposed that there are likely to be divergences between his views and those of union members at large. The recent changes which require a more pragmatic approach to the settlement of issues regarding the interests of the workers versus those of the firm, is regarded as a positive step. It is contrasted favourably with the order of the Party State.

Another indicator for the unionist's commitment to the firm rather than to the workers was his evaluation of the 1992 Labour Code as 'strict and rigid', when in hardly any firm in the sample were the rules of this piece of legislation left unmodified, but usually were improved in favour of the workers. It was generally recognised that provisions in the Code were poor, and very much oriented towards what the economically worst off firms could afford. By contrast, the statement made by the unionist was that the Labour Code was very difficult to square with the financial situation of the firm. While this may have been the case in the firm at discussion (although this was not the primary concern of the management-interviewee), it still seems an unusual position for a unionist to adopt stressing the limits of the firm concerning workers' welfare, rather than the possibilities.

The situation in the private firm was curiously the same in that here, too, the General Director was a member of the local union. Also similar to the previous case, the trade union secretary had been in her post since 1980, when it was still a full-time one. Now, her employment with the firm consisted of a deputy manager post

in the clothing shop the firm was running. Did this double role ensure a co-operative approach to IR?

The explicit statement about the relationship with management by the unionist seems to confirm the traditional picture:

“In this firm, I can say that the relationship is fine. I can always discuss everything with management, and the aims of the management are nearly the same as the ones of the TU. ”
(CTU)

Her examples given to illustrate this statement were those of Christmas surprises for the workers, and gifts for those retiring. These were arrangements which had all been initiated by the union, but approved of by management, who willingly gave the money required for this purpose. Hence, in contrast to the situation in the other firm, the ‘common aims’ the unionist referred to were not related to her company, but to the welfare of the workers.

It is interesting to note that the areas in which trade union success and consensus with management was emphasised were those which used to be the main tasks of unions’ involvement during socialism. They are related to social welfare, rather than to economic areas, such as wages. In fact, it is in the economic domain where controversies arose, connected with compensation for dismissals, wages and overtime while the actual number of redundancies did not seem to have been an issue.

So the unionist’s claim that management and trade union have “nearly the same aims” could be more accurate when applied to the traditional areas of union concern under socialism than to the ‘new areas’, which so far have probably not been fully recognised as territories in which unions should be strongly involved. It has been a persistent feature of interviews, also with unionist-workers, and across industries that dismissals per se -although they took place in all firms to some extent - rarely seemed to have entered the union’s agenda. What was a major issue in five firms, however, was the question of severance pay or compensation for people who became victims of redundancies. In two cases, trade unionists who mentioned debates with management about the actual number of redundancies conceded that the union failed here, and that their focus then shifted to the compensation issue. In a further two cases, redundancies were mentioned, but no connection was made between this fact and the role of the union. It seems plausible that the new labour legislation, which has curtailed many of the rights which

unions at least formally possessed in the past, may have contributed to attitudes which facilitate the marginalisation of unions in these important areas.

Be that as it may, what should be recognised from the reference to unionists of various statuses at different firms, and their similar dealings with important employment issues is the fact that the unionists' 'double role' as such did not necessarily make a difference in the approach to important issues. Alternatively, we may want to re-formulate this conclusion to the effect that the 'single role' of other union representatives did not seem to have resulted in more comprehensive action. This does not invalidate the argument that the 'double role' function shapes unionists' approach similar to what was found in the past. While the single managerial career structure is a relic of the past, it is still conceivable that unionists in a lower management position have more of an interest in purely economic achievements of the firm than would otherwise be the case - especially if a bonus system operates. Even where union interviewees explained their success in the pursuit of workers' welfare, they seemed to have been quickly content with small victories. Other important issues were either pursued with less persistence, or did not feature at all. Certainly, no big conflict over such issues arose, and this tended to be true for unionists occupying a lower management role, as much as for many of those recruited from the physical workforce.

3. Conclusion

Reflecting on the framework used to analyse the data, we have gained some insight into recently developed conditions in Hungary which could have (had) an impact on the character of IR. They are related to dramatic changes in the economic system and their effects on individual firms; to new features in labour relations, which are rooted in new labour law; to legacies of the past; and to the different ways union sections and management deal and come to terms with the far-reaching transformation.

However, awareness of such aspects notwithstanding, it seems difficult to construct a framework of analysis out of which a neat pattern of the nature of IR in Hungary would emerge, and which would allow for some generalisations and predictions in this area. In fact, indicators which are likely to be selected in an analysis of Western societies to help such a clear pattern emerge, seem to fail when we attempt to employ them for our purposes. For example, it was found that privatisation tended

to be welcomed by management as well as unionists from all three types of industries included in the study.

Indicators to characterise IR which appear relevant in the Hungarian context, such as those suggested by Héthy, proved to be more complex than it appears at first sight: the 'survival' of unionists and management in their positions before the changes *can* lead to the continuation of their co-operative approach to IR, and the blurring of roles. However, we have no clear evidence from the firms in which such a situation seemed to pertain whether this was due to training for particular posts during socialism; due to commitment to the firm which tends to grow with years of employment in one place, no matter what position one has filled; or due to a personal, friendly relationship between management staff and union section representatives.

Furthermore, we have found that certain experiences during socialist 'IR' may indeed lead to the disruption of the traditionally consensual relationship. The new rules which regulate labour relations today have created a new power-relationship, the dynamics of which will in some cases inevitably lead to conflict. Again, we are unable to predict when this will be the case instead of the co-operative relationship persisting. One likely factor to influence this is the role which unionists' expectations in their firms' future may play. In this respect, the development of IR would very much depend on the individual who occupies a certain post, and his or her perceptions of what expectations are reasonable, and what useful and desirable actions could spring from those.

Such views may be rooted in certain arrangements of Hungarian society at large, as well as in those of IR. The response of a unionist to the question whether she would consider strike as a means to resort to in certain circumstances is indicative:

"This year will be much harder than the past four years. But Hungarians are very clever people, and instead of going on the streets and strike, they always find alternative ways of providing for their families". (MTU)

Put another way, it seems that the established importance of the second economy in Hungarian society influenced her agenda of (in-)action, as well as the typical feature of IR before the transformation, when individual actions were preferred to collective ones.

Looking at IR from the corporatist angle, it seems that our initial suspicion has been confirmed, and one of the differences between corporatist IR in Hungary and the

more established corporatist systems is that the wider perspective of macro-economic goals seems to be missing in Hungary, where concern revolves mainly around micro-economic factors. To some extent, it would have been surprising had the very specific circumstances in Hungary caused an agenda similar to that of, for example, their Austrian or Swedish counterparts. After all, companies' economic situations were often portrayed as so precarious that the first priority of union and management was to secure the existence of the firm, even if that meant dismissals and wages below subsistence level. While unionists tended to resign themselves to the idea that with the present economic conditions of firms, there are clear limits to potential achievements, there is still the competing issue of union legitimacy. In order to maintain the number of members or to attract more, unions either have to be seen acting on behalf of their workers, or be able to convey the reasons for their cautious behaviour.

It is partly due to the transitional phase, especially the uncertainty firms face which wait to be privatised, that it is difficult to say what strategy unionists are going to adopt, and whether the representation of workers will experience substantial improvement. The factors we would have to consider when committing ourselves to one or the other prediction are not only complex, but also emerge in a chaotic arrangement, out of which no clear picture emerges. Concerning the status of the firms as a factor influencing opinions, this background did not seem to have made a significant difference in the attitudes of interviewees. However, not included in our data analysis of this chapter were the statements of an owner and manager of a private firm, which had been set up years before the recent economic transition. Here, trade unions were not present, and the behaviour of the owner to his workforce was, using his own words, "dictatorial". Working conditions were completely determined by the owner, and made entirely dependent on the perceived daily requirements of the firm ("Workers here have only one right: the right to work") - an exceptional case in our sample. The reason for no systematic differences in the nature of IR among the other firms, four of which had been privatised after 1989, can perhaps be explained by the fact that the changes in the economic set-ups had occurred recently. Most of the employers were still used to the conditions in State firms, and certainly subscribed to some of those, including the importance of the presence of trade unions at firm level.

Some comments can also be made about the possibility of revival of a 'real' working class. It appears that such a development is hampered by various divisive tendencies, for example, the threat of unemployment, and the rivalry of workers'

organisations. This situation is exacerbated by an intensified segmentation of the labour market. The picture of the 'two types of Hungarian firms' has become more complicated. Today, there is a relatively well paying new private sector, a more and more impoverished State sector in which wages are low, and the sector of small, insecure ventures (Ferge, 1992a, 12). Problems with a stronger representation of workers' interests may also arise from the new legal framework, which defines IR today: it appears that the increased possibilities of making management accountable are accompanied by fewer legal rights of trade unions. Maybe the development of IR -and the achievement of workers' objectives- will then hinge upon management's willingness to involve unions also in decisions concerning important economic areas, i.e. those which would confer a role to unions beyond social welfare concerns.

In fact, it was encouraging to see that in all firms in which unions were present, they were regarded as important.³⁵ This includes the firms in which the relationship between union and management was an uneasy one. The presence of unions per se was never questioned, although they tended to be accepted in an instrumental sense, as mediators between workers and management who ensure stable labour relations. Whether workers' interests will find a more effective voice will then depend, first, on employers' perceptions of the benefits which comprehensive union involvement may entail, and, second, on individual trade unionists and their ability and willingness to adjust to new roles.

In the chapters which follow, we will not only have to bear in mind our findings here when interpreting unionists' and management's statements on pay and employment issues. Simultaneously, it will be possible to detect further indicators of the roles which the two parties have adopted today, particularly in Chapter 7. The more general issue of the overpowering character of the Party in socialist Hungary and its possible effects on today's society, however, is a persistently

³⁵Yet, it needs to be considered that the firms included in our analysis were all relatively large, and that even the limited companies used to fit the type of a large state firm; our sample was biased in so far as all enterprises accepted the presence of unions, apart from the above mentioned small, private firm. It is possible that several firms of this size, especially in the textile and clothing branch, would pursue similar policies, so that there would be *some* kind of pattern developing according to the distinction between the two types of Hungarian firms referred to above. The distinction between small ventures which were established privately, and larger firms which originate in State property could parallel a distinction between enterprises where attitudes towards unions have been so hostile that management would not accept them at the workplace, and those enterprises in which unions had always been present and were still regarded as important.

strong theme. It is also prominent in the next chapter, which concerns itself with images of women workers.

CHAPTER 6

IMAGES OF WOMEN WORKERS IN HUNGARY

This chapter explores images of women workers in socialist theory, in Hungary's recent past, and the present. Four different sections will contribute to this purpose. The chapter begins with an examination of the theoretical bases of women's liberation through socialism, and the prevailing strategies for achieving social change, which resulted from them. The extent to which such theoretical propositions found entry into the practice of women's position in socialist countries will be looked at, and the environment characterised in which perceptions and norms of women's roles in socialist societies have developed. Following this, women's situation in present Hungarian society will be turned to, and current images of women workers in the interview data will be considered.

When dealing with state socialist countries, it is important to be aware of the fact that there are commonalities as well as differences which distinguish them economically, culturally and socially. Differences comprise, for example, variations in the profile which collective social and political actors used to have, and still may have today. It appears that depending on their traditional strength in particular countries, we can expect women's movements to develop more or less easily. It would thus seem that a country which has been used to a broadly based political movement -such as Poland and its 'Solidarity'- would have fewer problems in this respect than Hungary, Romania or Bulgaria (Funk, 1993, 9). Favourable circumstances could similarly apply to the GDR, where in the past the Protestant Church provided shelter and physical space for women's groups, and where the proximity to West Germany allowed for greater familiarity with Western feminist literature than in other countries (Einhorn, 1989, 13).

Some generalisations of common features also seem possible. For example, all countries were characterised by an extremely high proportion of women participating in paid work. While this fact has sometimes been presented as one of the definitive achievements of state socialist societies (Bradley, 1989, 21; Mandel, 1971), it seems that the situation was too complex to allow for such a categorical

evaluation. Many policies contributed towards the position in which women found themselves, and they neither were necessarily introduced with the sole purpose of benefitting women, nor were their outcomes unambiguously positive. Women's high employment rate was partly determined by economic and demographic considerations, as well as by the need for a certain income to maintain a family, for which the earnings of only one person would usually have been insufficient. Hence, the option of dedicating most of one's time to caring and house-keeping obligations did not exist. As to the quality of women's paid work, we find that similar to Western countries, the workforce in state socialist countries was gender segregated, with women working mainly in 'feminised fields' such as textiles, office work, health and education, and in low-paid positions of little authority (Funk, 1993, 7; Ministry of Labour, 1995, I 1, daSilva, 1993, 304–9).

Obviously, the shared socialist past contributes a lot to the fact that women in these societies have many similar experiences; a past based on a Marxist theoretical foundation as well as on a state socialist paradigm, which almost inevitably led to some contradictions. Let us examine the theoretical bases of women's liberation, and the way in which such principles were put into practice.

1. The theoretical bases of women's liberation in socialism

Trying to explain women's ongoing subordination, traditional Marxism tended to point to the bourgeois, patriarchal nuclear family, and its roots in the development of private property. Gender inequality was seen to be based on a contract which had the deceptive appearance of having been constructed freely. In reality, 19th century women were deprived of choices but had to marry, thereby becoming legally subordinate to their husbands. They became their husbands' property and servant. This power which men could exercise over women was instrumental for securing the transferal of their private property to their heirs.

In an attempt to address this state of affairs, the utopian strand of socialism experimented with strategies such as changing forms of child care and marriage in order to end women's oppression. The 'scientific' strand adopted a more comfortable strategy: assuming that most women would enter the area of paid work and join the workers' struggle, it was concluded that the direct leap to the evolution of women's consciousness and to the material bases for its transformation would follow automatically. Proletarianisation and the anticipated subsequent participation in the revolutionary movement, together with the abolition of private

property, was to liberate women (Kruks et al., 1989, 9; Meyer, 1985, 17; Carter, 1988, 172; Bradley, 1989, 56-7).

It was taken for granted that in socialist society, women would be equal to men in all areas of public life: law, politics and the economy. The last domain was seen as decisive in that women's employment was to transform the nature of the bourgeois family. It would bring about women's financial independence within marriage, and thereby equality with men. It would free them from men's oppression and domination, especially once traditional female duties could be performed by public institutions or cooperatives. What remained unrecognised, however, was the possibility that many aspects of women's subordination are unrelated to private property and the bourgeois family form. The direct confrontation with the 'woman's question' was evaded by the fact that women's situation was viewed only from the perspective of different forms of ownership. Neither Marx, Engels, nor later Marxist theorists tried to study the specific oppression of women systematically (Corrin, 1992, 11-2; Meyer, 1985, 18-9; Rai et al., 1992, 3-4;).

This can be illustrated with Engels' analysis of the family, in which no mention was made of the special role of women in the family (Corrin, 1992, 11). Particular features of traditional family life remained unexplained and could not be accounted for simply by the social division of labour and the social relations of production. Such aspects were then abandoned to the residual category of the 'natural division of labour' (Landes, 1989, 17).

Here, some of Marx and Engels's work is indicative. In *The German Ideology*, they paradoxically see the sexual division of labour as natural, based on women's reproductive abilities and on differences in physical strength between men and women. It is these circumstances which are said to lead to women's "latent slavery" (Landes, 1989, 21). However, the assumption that inequalities are naturally determined, rather than socially constructed, appears problematic for socialist theory. Once the suggestion of women's natural and immutable double burden has been accepted, it is difficult to envisage how a change of production relations can compensate for those natural disadvantages, and how equality can be achieved. Hence, once the discourse on matters of family life has become 'naturalised', important gender questions must remain unaddressed .

This can hardly be remedied by Engels' suggestion of socialising domestic work. Such tactics neither recognise the need for women and men to consciously struggle

for the transformation of interpersonal relations, nor do they identify the political requirements which should accompany this process (Landes, 1989, 26). Apart from such shortcomings, the question arises whether labour (and obligations) like caring for one's next of kin can be fully socialised. Since such a prospect is neither likely, nor necessarily desirable, it is not surprising that the reality in socialist states was such that women had to commit themselves to provisions which were to enable them to combine the demands of a job with the duties towards the family (Einhorn, 1993, 5).

Moreover, while Marx and Engels envisaged that domestic work was to be carried out by the community, they excluded such duties from their analysis of labour, which dealt only with the type of work which produced marketable commodities. Work spent on human reproduction was, in fact, explicitly devalued, with Engels and Lenin describing it as the medium of women's enslavement, and as a "barbarously unproductive, petty, nerve-wrecking, crushing drudgery" (deSilva, 1993, 303; cf. also Meyer, 1985, 27; Morell, 1995, 12).

Of course, the Marxist discourse has not stopped here, and in order to do this approach justice, brief mention should be made of how contemporary socialist feminists in Western societies have tried to overcome some of the problems with orthodox Marxism.³⁶ A well known approach attempting to incorporate gender relations is Heidi Hartmann's introduction of capitalism and patriarchy as 'dual systems'. She argues that in the 20th century, a partnership of patriarchy and capitalism has emerged in which the interests of both have been served by allowing women a secondary place in the labour force. But because women's social subordination existed before capitalism, we have evidence that women's oppression in capitalist societies has its source in the patriarchal system of social relations, which is separate from, but can interact with, capitalism (Hartmann, 1981). Hartmann defines patriarchy as resting on a *material base*, which "lies most fundamentally in men's control over women's labour power" (Hartmann, 1981, 14-15). Hence, while she modifies orthodox Marxism from a theory of economic domination in an industrial setting into one which includes gender relations and the family context, her account of gender inequality still constitutes one in which

³⁶There have been attempts -notably by Iris Young (1981)- to show that capitalist production is necessarily founded on gender inequalities since capitalism thrives best when the workforce is divided. However, such 'unifying analysis' of capitalism and patriarchy seems to ignore the fact that capitalism can divide the workforce along other dimensions - as the South African example illustrates. It is a flexible and adaptable system (Bradley, 1981, 227).

class takes priority over gender (Bradley, 1989, 54; 59). The partnership of capitalism and patriarchy Hartmann identifies is obviously an unequal one, as in her analysis, private property relations remain the one over-arching source of women's oppression. Consequently, the economically determinist view, which we found much more pronounced in early Marxist debates, has remained powerful and persistent here also (Kruks et al., 1989, 8-9; Rai et al., 1992, 4).

In Eastern societies, more radical analyses and suggestions were also proposed over time. For example, while Marx and Engels seemed to espouse the ideal of a partnership comprising economically independent persons, but which would still be of permanent duration and reflecting 'free choice' between partners, later Marxists like Alexandra Kollontai took a more radical approach. They conceived of the abolition of the family as the only possible way of achieving women's emancipation. This included the freedom to change partners in response to feelings of love and desire, as well as the care of children by collectively run homes (Carter, 1988, 172).

In Kollontai's approach, the roots of gender inequality are located in reproduction, but are seen to interact with the mode of production. It is thus a model different from another one proposed by Marxist feminists, in which domestic labour has been presented as a distinct mode of production which produces sexual inequalities (Bradley, 1989, 25). Both views seem to share a problem of the reverse nature to the traditional Marxist orientation:

"inequalities in the economic sphere are assumed to be a simple *reflection* of inequalities produced in the family or the domestic sphere, or to arise from social attitudes learned through socialisation or generated by patriarchal ideology or culture. The way in which the economy itself *breeds* sexual divisions is ignored" (Bradley, 1989, 25; own emphasis).

So while earlier Marxist approaches can be criticised for being overly production oriented, later theorists may have taken too narrow a view due to their reproduction orientation.

In order to clarify how patriarchy and capitalism relate to each other, we may want to start from the recognition that the fundamental and primary nature of sex division in societies, sex-typed jobs and the persistent emphasis on gender differences in family relations, have historically always presented the basis on which capitalism developed (Bradley, 1989, 227-8). Perhaps the problem with socialist feminism has been that theorists tried to find a historical and explanatory

account of patriarchy -a concept which so far has been rather descriptive- which would match the coherent and systematic Marxist framework to explain capitalist economy.

But it appears to be an impossible task to find a structure of gender relations homologous to capitalism. Bradley points out that

“Marxian class theory can be firmly grounded in a specific set of relations, the social division of labour for the production of goods and services, and is then built up from there. But gender relations cannot legitimately be confined to a single social activity (even the family) or be said to originate in one level and spread into others. Gender activities pervade all aspects of social existence and so no satisfactory base/superstructure account can be produced” (Bradley, 1989, 60).

Patriarchal and capitalist motivations can be related, but they can also have a dynamic of their own, and they certainly also appeared in socialist societies. It may then be most useful to examine the many sets of interconnected relationships, such as class, gender, race and politics, and to theorise each of them in isolation as well as in their interaction with each other. The following section is an attempt to engage in such an examination by looking at women’s roles in state socialist societies, and by linking those with economic and political developments.

2. The practice in state socialist societies

In spite of the various attempts made to respond to recognised flaws in the orthodox Marxist approach to all social inequalities, in the practice of state socialist countries, these developments did not come to enter official discussions of revolutionary strategy. Rather, women’s oppression was not regarded as an important issue in its own right. The focus was on the class struggle of the proletariat, and all other forms of oppression were seen to be derivative. All inequities in society were subsumed under the exploitation of workers, and as a consequence, it was held that women’s emancipation would be an immediate consequence, a ‘fringe benefit’ of the new socialist society. The urgency to regard gender equality as an integral part of building an egalitarian society was not recognised; the possibility was ruled out that the sexual division of labour could generate social antagonism similar to oppositions found in the property order, also creating (and perpetuating) class divisions, this time between women and men. In short, a gender-blind theoretical framework operated (Einhorn, 1993, 5, 26-27; Landes, 1989, 23; Meyer, 1985, 18-9; Rai et al., 1992, 3-4).

The actual attitudes and policies relating to women's position in state socialist countries were closely linked to this theoretical background: equality of the sexes existed as an unquestionable objective, and it was to be achieved by means of female employment and participation in the project to 'build socialism' (Maltby, 1994, 29-30). However, policies affecting women's lives were never entirely consistent and unambiguous. Even assessed by their own terms, proclaimed ideological goals and strategies were allowed to be neglected in favour of perceived more urgent economic or demographic concerns. Questions can be asked such as whether the 'woman as producer' ideal lost its prominence in favour of a more traditional 'woman as reproducer' image when there were perceived problems with the demographic development; or if the frequently declared drive for gender equality through employment was motivated mainly by practical concerns, for example, by the vast demand for labour created by extensive industrialisation; or whether women's paid work was related to the wish to create equal opportunity, and perceived by women to deliver just this, rather than representing mere necessity because a single income would have been insufficient for maintaining a household.

All these issues are currently under debate, but evaluations prove difficult as only a little time has passed since the transformation of the system. Yet, much data and information concerning women's status does exist. Let us first look at images of women as producers, before turning to their role in reproduction.

2.1. Women's role as economic producers

Soon after WWII, the 'new societies' in Central and Eastern Europe started on ambitious industrialisation plans in order to advance their perceived backward economies. Some basic elements of the development strategy could be found in all countries. They included diverse factors such as concentration on the development of the heavy industry; neglect of the consumer sector; new educational opportunities for women (and men); and the encouragement of women to enter the workforce, as women constituted the main labour reserve (Wolchik, 1985, 38-9; deSilva, 1993, 305).

The legacy of such elements pertains today: women's employment is an accepted part of life in Central and Eastern European societies, and many women identify themselves at least partly by their roles in the economy. Whereas in earlier years, women's social position was defined by that of the (male) head of the family (i.e.

husband or father), women's and their family's way of life is now influenced also by their own disposable income (Kulcsár, 1985, 195-6).

The rapid extension of employment in the last decades has been based mainly on the increasing involvement of women in paid work.³⁷ Women contributed disproportionately to the unprecedented amount of semi-skilled and unskilled labour, on which the new industrial policies of the socialist economy relied.

"[T]heir proportion in this segment of the labour force doubled from 27 percent in 1949 to 54 percent in 1984. Although the female labor force made up 51 percent of semiskilled and unskilled blue-collar workers in 1970 and 44 percent in 1980, such jobs represented only 46 percent of all wage economy jobs in 1970, and 38 percent in 1980. The trend has continued in the last decade: while unskilled and semiskilled jobs dropped to 31 percent of total available jobs by 1990, the number of women holding such posts did not decrease proportionately; even now, as high as 37 percent of women in the work force are unskilled and semiskilled workers. In other words, despite their rising levels of education ..., women were and are heavily over-represented in the least skilled segments of the labor market." (Szalai, 1991, 158)

A rather unusual explanation for job segregation in a socialist country has been provided by Mandel (1971) whose apparent target in his paper is to prove that Soviet society has achieved full equality between the sexes. He points to women's lack of self-confidence as a serious problem and as the reason why women preferred to enter occupations which can be regarded as an extension of those they traditionally have engaged in. No 'channelling' took place, but women simply entered those fields first in which they felt most comfortable. Mandel resorts to a working woman's magazine as a means of evidence, explaining that there, women themselves discussed whether or not they were capable of operating machine tools. More than this, the same situation allegedly applied to vertical job segregation and women's doubts about whether they could handle managerial posts at even the lowest level (Mandel, 1971, 260).

³⁷In Hungary, the rate of women aged 15- 54 (i.e. beyond the compulsory education age and before retirement age) in full-time employment has been presented by Szalai (1991, 158) as having increased from 35% in 1949 to 74% in 1984, with a modest decline to 72% in 1990. The percentages of the recent years are lower than those provided by the Ministry of Labour (1995, I 6.4), who state that the average percentage for this group of females in employment comprised 85% in the 80s, fell to 82.5% in the 90s, and dropped to 63.5% in 1995. The higher percentages quoted by the Ministry may be explained by the fact that those women receiving some form of child care support have been included, which remains uncertain of Szalai's source. Such child care support could cover child care subsidies, which were "paid by the state for five years when the youngest child has reached three years of age", (Ministry of Labour, I 5.6) allowing the mother (and in theory the father) to choose between child rearing and work.

While it is certainly plausible that women have lacked self-esteem in the areas Mandel points to, he is content with an analysis confined to the individual and her traits, thereby treating the problem as purely psychological. However, many other writers emphasise that the origin of women's 'choice' of occupation should be discussed in socio-psychological terms, including institutional and organisational factors which have affected women's careers. Women's existence is defined by wider society, by the values women have been brought up with, by their realistic options as well as the costs for deviance from societal expectations concerning these options. Women (and men) are aware of penalties they would have to bear for deviating from gender rules (Cockburn, 1988, 40; Izraeli & Adler, 1994, 10).

Moreover, occupational choices were closely related to the educational path taken beforehand. Here, it has been argued that in Hungary, the educational bureaucracy decided where boys and girls were placed, so that it is not only the students who could be made responsible for their reluctance to deviate from sex-stereotypical education. Teachers and principals of schools engaged in deliberate channeling: "Their role in the 'selection' process is enormous, and the counselling they give determines to a great extent what the child will do in the future" (Volgyes, 1985, 225). These activities were complemented by stereotypical responses children received from their close environment, not least their parents. As a consequence of this, it is not surprising that girls in secondary schools were concentrated in the type of school focusing on humanities (65% in 1979/80), while their percentage in vocational schools was significantly lower (31% in 1979/80) (Kulcsár, 1985, 201-2). It is similarly predictable that these educational differences had the effect of women lagging behind men with regard to specialised training and skills, so that men dominated the better paid and more prestigious jobs, while the number of women was disproportionately high in the lower paid, monotonous and least skilled segments of the labour market (deSilva, 1993, 307).

Employment (and status) segregation by gender can be regarded as stemming from education for quantitative as well as qualitative reasons: although women's educational levels in Hungary have increased significantly in recent years, and are bound to get closer and closer to those of men in future times, the number of female university or academy graduates is still lower than that of their male peers (Kulcsár, 1985, 201). While there have been estimates that this problem could be overcome in the next three to four decades, a solution to the qualitative difference in education seems much more difficult to find.

In higher education, other important components have played a role in women's and men's choice of one educational stream rather than another. Scott (1976, 8-9) explained with the example of women in medical professions in Czechoslovakia that their preeminence here did not occur because they were considered better qualified for this area of work than men. Rather, earnings in the medical field were lower than, for instance, in the heavy industry. Hence, the best male graduates decided to study physics, mathematics or to directly join those industries in which pay was high. These tendencies could have reinforced the situation where the status of professions plummeted as soon as increasing numbers of women entered them and the share of men decreased, so that typical female professions developed (Kulcsár 1985, 196-8).

Women's lower occupational status, lack of power and authority have also been seen in the context of professions where women were discouraged from entry, i.e. 'men's occupations', which have not been entrusted to females due to women's perceived lack of physical power. This state of affairs is in obvious contradiction with the fact that physically hard work in agriculture is traditionally performed by women. Similarly, the majority of workers in cotton mills and spinneries are women, and they perform work for which the adjective 'light' is certainly a misnomer - maybe by contrast to the typically male job of the machine operator (Kulcsár, 1985, 196-8).

There are indicative inconsistencies, such as legislation 'protecting' women from heavy work in the highly paid, technologically advanced, industrial sectors, but not from the menial heavy labour, such as road sweeping, or physically heavy tasks in agriculture (Einhorn, 1993, 26; Morell, 1995, 15-16). Similarly suspicious is the fact that norms and regulations have been undermined, for example in Poland and Russia, where textile and chemical industries are rated safe and suitable for women, but are recognised as having an unhealthy working environment (deSilva, 1993, 308). Doubts can therefore be expressed about the legislators' sincerity concerning the protection of women's health.

Of course, the double-sidedness of the issue of health protection is not confined to socialist countries. For example, policies of foetal protection in the US illustrate that similar issues can be raised here. There is the argument that such policies and laws have been applied only to those women who compete against men in fields traditionally dominated by men. By contrast, in female dominated work areas, policies for the protection from work-related hazards never applied. Long working

hours and shifts have been accepted here without questioning. So only where females could have threatened male employment possibilities have they been assumed to be unable to decide themselves about the risks they were prepared to take, while men were invariably seen as having this capability. Concerning the health of the unborn, the issue of whether foetuses could be at risk also from men's exposure was never raised (Norton, 1996, 9-10).

Clearly, many working conditions can affect the health of women and men in similar ways. It seems that the reference to another example from a Western country is useful for illustrating the problem at hand. In Sweden, health hazards associated with a given technological level prompted improvement of the equipment, rather than the selection of a certain category, i.e. women, as inappropriate occupants of work involving certain technology. No special protection law for (non-pregnant) women exists, but the standards for such laws were established on the basis of what was deemed to be acceptable for the average female body, which was then applied to both sexes. By contrast, state socialist countries translated the perceived incompatibility of work at a certain level of technological development and women's reproductive function into women's disadvantage. Women were excluded from technologically progressive jobs (Morell, 1995, 16) and the category of sex was used as an absolute indicator of the working capacity of a person. The fact that the range of performance within one subgroup can be as extensive as the overlap in performance between subgroups was ignored.³⁸

Two considerations are necessary at this point: First, although it has been argued that protection laws in state socialist countries cannot be separated from pronatalist measures (Morell, 1995, 16), this assertion seems to be undermined by contradictions surrounding protection law. Whereas some high status and male dominated work was prohibited for women on the grounds of health protection, other low status activities which involved similarly strenuous tasks were mainly carried out by females. Consequently, the intention to use women's exclusion from certain labour as a pronatalist device can at best be described as half-hearted. Maybe it is more sensible to see protection laws more generally as a means of exclusion and in the context of attempts to resist female integration into male,

³⁸This common occurrence of separating capabilities along the gender line has been ruled a misconception of women's ability to engage in heavy work by the Health & Safety Executive in 1985 (Equal Opportunities Commission, 1986).

technologically highly developed, occupations. In Hungary, an example of exclusion is provided with the case study of a factory in Csepel. As opposed to Western societies where trade unions have often ensured the exclusion of women from certain areas of work, in Csepel, men's opposition remained informal, and the following steps were taken to solve the conflict: "Men were to take the technologically advancing areas with higher training requirement, while women workers, who were considered unreliable due to their lacking familiarity with organised labour discipline, were to be accepted in the technologically backward areas, which were left by the technologically upwardly mobile men" (Morell, 1995, 17). This goal of female exclusion tended also to be linked to claims for a 'family wage' and to the protection of the family's integrity (ibid.). And it could certainly have been based on the assumption that women are marginal employees, whose calling as wife and mother should take precedence over employment.

The second observation in respect to protection laws is that these laws appear to codify women's prevailing relation to technology, and can thus maintain the predominant conceptions of femininity (Morell, 1995, 16-7). After all, up to the present day, the stereotypical image of women has consisted of ignorance and absence in matters of technology - a concept strongly associated with masculinity (Lie, 1995, 379).

It seems that wherever health protection laws contributed to the gender segregation of work, it was likely to affect its horizontal dimension. But there is the vertical dimension, too, and evidence from Hungary is available for areas of economic decision making. Here, women's role was negligible.

"In 1965, of more than two thousand women employees of the Hungarian State Railroads, there was only a single woman station manager. Even in commerce, the area clearly dominated by women in 1971, only 15 percent of store managers were women. ... Although later data from the 1980 census might seem to indicate a slight increase in upward mobility for women, especially at mid-level managerial posts, the improvements have been marginal during the decade of the 1970s" (Volgyes, 1985, 223).

More recent research also yielded the results that women are relatively highly concentrated in management in the areas of finance and banking (41%), municipal administration (30%), and public administration (20%) with their share increasing over time (deSilva, 1993, 308). The structure of other sectors, however, looks more pyramid like, with a high number of women occupying lower positions and only few females at the top (deSilva, 1993, 308). It is thus clear that although quotas were set for women at local-level management in Eastern European countries, women

were highly underrepresented in the more senior and national positions (Izrael & Adler, 1994, 5).³⁹

Despite all proclamations emphasising equality between men and women, and the resulting exhortation asking for their participation in the project of building socialism, images of women tended to be two-fold. Their labour force participation did not take place at the total expense of traditional conceptions of what 'womanhood' entails. Rather, the rhetoric of women's employment as a crucial step towards gender equality either coincided -or even faded- with the subordination of women to other perceived needs of society. Women were encouraged to take on several roles simultaneously, including the ones of the heroic labourer and the proud mother (Lampland, 1989, 312).

2.2. Women as reproductive resource

After having prioritised women's role as producers, policy makers were alarmed to notice a significant fall in the birthrate (Einhorn, 1993, 23). Especially during the early phase of socialism, Hungary visibly pursued pronatalist policies.

"Posters in factories and offices urged *all* women to give birth, dismissing any hesitation on the part of unmarried women. Providing the socialist state with children was a dignified act, worthy of married and unmarried women alike." (Lampland, 1989, 312, author's emphasis).

In spite of the pressure exerted on women to give birth, economic necessity made the occupation of jobs outside the home an imperative. Depressed wages were responsible for the fact that one salary was insufficient for meeting the needs of a household. Gradually, the state stepped in to facilitate the combination of family and paid work. Day care provisions for children increased dramatically throughout Hungary's post-war history (Lampland, 1989, 313). Still, it was not until 1970 that all children who needed a place could be accommodated in childcare facilities. Even then, nurseries were overcrowded with 104-116 children for every 100 places between 1960-80 (Tóth, 1993, 215).

³⁹ This is comparable to the outcome of a policy which was unique to the US: the legislated affirmative action. It explicitly aimed at opening lower-level management as well as senior positions to women, but could only achieve the latter. The failure has partly been ascribed to societal pressure and potential criticism from peers which individual senior executives would have been subject to had they not discriminated against women (Izraeli & Adler, 1994, 15).

This development was somewhat reversed in the late 60s. In 1967, the introduction of maternity leave allowed mothers to leave paid work for three years after birth. The comparatively generous provision has to be seen in the context of significant shifts in the economy, combined with concerns about the birthrate: by the mid-1960s, the first phase of industrialisation decreased its pace, and the need for unskilled labour lessened. Communist planners therefore supported measures which were to reduce the supply of women who worked in stagnating industries. Simultaneously, they were conscious of the fact that the birthrate had remained almost constantly negative (Lampland, 1989, 315; deSilva, 1993, 305–6).

However, the policy zigzags between attracting women into employment, or back home did not stop with the 1967 legislation.

“The slow deterioration of the value of the monthly maternity-leave payments by the mid-1970s, and the introduction of a variety of options such as the possibility of interrupting maternity leave ... were the result of policy debates that focused on the renewed demand for female labour in the public economy in the 1970s.” (Lampland, 1989, 315).

With regard to the provision of *maternity* leave offered to women, such concession obviously assumes that it is the mother who should (exclusively) take responsibility for child care. The allocation of traditional roles is thereby reinforced. In fact, most legislation in state socialist countries explicitly included women’s dual role as worker and mother without any equivalent definition of men. The flawed assumption of women’s labour force participation as the sufficient -rather than one of many- necessary conditions for women’s emancipation became cemented by legislative definitions of the double role, which women are expected to fulfil (Einhorn, 1993, 35). Section 3 of the GDR Labour Code reads like this:

“The socialist state shall ensure that conditions are created everywhere which enable women increasingly to live up to their equal status at work and in vocational education and to reconcile even more successfully their occupational activities with the duties they have to fulfil as mothers and within the family” (in: Einhorn, 1993, 23).

Therefore, while women were encouraged to enter the labour force and obtain education, the price to pay for this ‘equality’ consisted of a division of labour which resulted in women being overburdened (deSilva, 1993, 302). Progress has admittedly occurred in this area in 1985, when with the introduction of an allowance for child caring, men, were also given the option to stay at home with young children. However, this possible choice has rarely been taken up (Lampland, 1989, 313; Szalai, 1991, 167). The child caring allowance then achieved its purpose. It

contributed to the ease of some familiar constraints: it released some pressure from a tight labour market, aided a hoped for increase in the birth rate in the second half of the 80s, and facilitated a drop in demands for public child care facilities (Szalai, 1991, 167-8).

In short, rhetoric and policies of socialism seem to have ranged between emphasising women's role as producers and that of reproducers. The former would have been prioritised when industrial requirements moved to the forefront of concern, as was the case especially in Hungary's war torn economy, the latter when policy makers were alarmed by a significant fall in the birth rate (Einhorn, 1993, 23). It can therefore be concluded that the socialist commitment to 'the woman's question' and equality between the sexes was never pursued in the way the ideology -flawed as it might have been- would have prescribed. Policies and benefits designed for women originated in many considerations other than pure ideology, such as pragmatic, demographic, political, economic, and maybe patriarchal rationales (deSilva, 1993, 304; Einhorn, 1993, 20).

At the same time, women's pursuit of their interests was severely hampered by the political system. Authoritarian structures constrained ways of organising women's interests. The single official value system was detrimental to women's situation, as the framework for discussing women's issues was prescribed, and only solutions and approaches compatible with this framework could be considered. Because the potential for clashes of interests between social groups under socialism was ignored, and progress for groups was tied to the interests of the proletariat as a whole, the separate consideration of women's needs was considered illegitimate. Feminist consciousness was distrusted (Wolchik, 1985, 37-8; 191). In other words, organisational principles of socialist societies meant that women could not organise independently and define their own interests, but that this had to be done within established structures (Wolchik, 1985, 37-8; 191).⁴⁰ Of course, the engagement in such activities would have presupposed that women did not look at exhausting housework, lower salaries and the lack of status as 'their fate' - an attitude which could easily have been generated by a totalitarian regime in which "people grew up with the conviction that they were merely acted upon by forces larger than themselves" (Bollobás, 1993, 206).

⁴⁰Although the Party had established organisations which provided a forum for women to communicate their problems and demands, they remained under the all embracing control of the State (Maltby, 1994, 30).

Benefits, rights and privileges which women experienced had been implemented in a top-down fashion, i.e. by the state. Women had no involvement in building the structure of their 'rights', but had to accept the authoritarian nature of arrangements, which denied the worth of the individual. Of course, this was true for society at large. Where civil and political rights are absent, access to benefits or services can be interpreted as a proof of benevolence of the state, rather than as social *rights*; as gifts by the leadership of the party to the members of society (Ferge, 1992a, 8). And gifts by their very nature imply little more activity on part of the presented than their gratitude.

Still, this structure was generally accepted by women, and many of the policies and benefits were well liked (deSilva, 1993, 302-3; Funk, 1993, 2), although they were provided in an environment of firmly rooted gender inequality, accompanied by a mentality which will require much energy and time to be changed (Bollobás, 1993, 206). Today, women themselves seem to dismiss concepts associated with the last 40 years of so-called socialist emancipation of women. Words such as 'liberation', 'oppression', 'solidarity' and 'equality' tend to be rejected as meaningless rhetoric, and are discredited due to their association with the previous regime. It has been argued that this situation may have had the function to keep feminist thinking out of the country (Arpad, 1994, 494; Adamik, 1991, 166).

In fact, the American lecturer Susan Arpad, who was teaching women's studies in Hungary, after many discussions with her mostly female university students and other Hungarian women, judged that feminist ideas were foreign in Hungarian society. For all Hungarian women with whom she raised the subject, the concept of 'feminism' had almost entirely negative connotations; women readily accepted the idea of complementarity, and conceptions of women and men being different but equal in Hungarian society. Their respective roles were regarded as natural. Where students thought that women's double and triple work day was unfair, they tended to focus their anger on the fact that women also had to work in the public sphere instead of being active in the domestic area only (Arpad, 1994, 494-6). Another indicator for women's distance to 'feminist' ideas are the statements of the members of a recently founded Hungarian women's small entrepreneurs' association. When asked for the reasons of their absence in the feminist movement, they were unwilling to even think about membership because they considered themselves far from being feminist (Adamik, 1993, 207). The poor prospects for change are certainly exacerbated by the fact that "gender issues are designated as a political

luxury which the new democracies can ill afford to address" (Einhorn, 1993, 9). So what evidence is there on women's position in today's Hungary?

3. Women and the labour market in Hungary today

The number of women in employment since the transformation has changed quite dramatically. During the 80s, the percentage of 15-54 year old women in paid work amounted to 85%, including females receiving child care support. The number fell to 82.5% in 1990, and to only 63.5% in 1995 (Ministry of Labour, 1995, I 6.4). There are various explanations for this tendency, one of them certainly being the occurrence of massive unemployment in the 90s.

Still, Hungary is in the unusual position where female unemployment appears to be lower than that of their male counterparts - the reverse situation of its neighbouring countries. In September 1991, the percentage of unemployed women came to 5.5 %, that of men to 6% (Adamik, 1993, 209).⁴¹ Little research has been carried out to examine the reasons for this phenomenon, and explanations found here are mainly of a speculative nature. They point to the specific character of structural shocks on employment: although women's redundancies at least equalled men's in industries affected by high unemployment, the difference is likely to originate in the fact that the heaviest loss of jobs occurred in industries dominated by men. Simultaneously, job opportunities increased in those areas with disproportionately high representation of females, for example, the light industry and services (Ministry of Labour, 1995, 6.4; Nesporova & Simony, 1994, 17). However, the figures of female unemployment have to be read with caution, as women on child care leave are excluded. While it is true that this group is formally protected against unemployment, it is likely that once having returned to their jobs, their position will be critically evaluated, and redundancies are possible after only a short period of protection (Ministry of Labour, 1995, 6.4; Nesporova & Simony, 1994, 17). It is also possible that more women than men have adopted the status of being 'inactive' rather than 'unemployed', but this difference is likely to be small.

⁴¹The official figures which present this picture are based on the number of 'registered unemployed'. The category of 'registered unemployed' includes unemployed people entitled to unemployment benefits, as well as those not entitled. The latter group can benefit from the various provisions made by the local offices which register the unemployed, such as employment services and labour market programmes. However, their number among the registered unemployed has decreased in recent years, perhaps because finding employment through this means proved very difficult (Dorenbos, 1997).

In attempts to deal with unemployment, policies were introduced which aimed at encouraging labour force outflows. For example, different schemes of early retirement have been offered, and the number of workers who are 54 years or over has substantially declined. Working pensioners, who prior to 1990 had remained in the workforce to enhance their poor, non-indexed pensions, have been particularly affected by unemployment. It seems that because their redundancies were less conflictual, people of this age group fell easy prey (Maltby, 1994, 130; Ministry of Labour, 1995, I 6.4). Due to women's lower length of service as well as their lower earnings -the two criteria used to calculate the size of pensions- (Maltby, 1994, 126-7), they are likely to be even more affected by the lack of employment opportunities than their male counterparts.

Not only those at retirement age have been detrimentally affected by governments' attempts to get unemployment under control. People of a younger age have also been the target of politicians, and females in particular. Returning women to the 'private sphere' has been seen as a central mechanism for transforming a 'full employment' economy into a capitalist system (Funk, 1993, 2). Moreover, the familiar concern about demographic developments features again. While the decrease in childbirth since 1981 has been deplored as a consequence of women's emancipation, strong voices in politics are asking for the official recognition of full time motherhood as an occupation, hoping that thereby female unemployment can be reduced and the decline in the birth-rate be remedied. Of course, such aspirations ignore that many women can ill-afford to leave their jobs (Adamik, 1993, 210).

Unemployment must also be seen in the context of the beginning of an economic adjustment process in 1990, which was set off by industrial decline primarily in the manufacturing sector. The female participation rate in industry has decreased as a percentage of women's representation in all sectors of the economy. Whereas in 1985, 35% of women workers were located in industry, in 1990, the number had fallen to 30%, and eventually to 24% by early 1994 (Ministry of Labour, 1995, 6.4). Due to changes in the relative size of the different industrial sectors in the Hungarian economy, women's employment in the typically female industries of textile, clothing and leather making has increased. These developments are likely to have contributed to more emphasised horizontal segregation of labour, which is exacerbated by the fact that unemployment in female dominated areas was kept low. For example, it consisted of 2% in education, 2.3% in public administration and 3.8% in health care in 1994. Still, job losses in the manufacturing sector could hardly

be absorbed by job creation in the tertiary sector. Only less than one third of the workers made redundant in the manufacturing industry succeeded in transferring to the service sector. Female employment in the service sector has virtually remained the same throughout the '90s (Ministry of Labour, 1995, 6.4).

What evidence of the effects of labour segregation do we have? It is a well known fact that occupational segregation affects pay (Bradley, 1989, 17). Let us look, for instance, at the monthly earnings of manual workers in September 1993. If we consider two categories of earnings used by the Central Statistical Office, a lower and an upper category,⁴² then the distribution of workers in percentage looks like this: while we find 60% of women in the lower category, only 29% of men workers are present there. The reverse picture is true for the upper category, where the distribution consists of 40% of female workers versus 71% of male workers (KSH, 1994, table 3.10, 61).

One main contributor to this pronounced earnings inequality is horizontal job segregation. Men are concentrated in the relatively well paid 'heavy industry' while women in the 'light industry' earn 'light wages'. If we look at specific industrial branches, the picture of horizontal as well as vertical job segregation will become clearer. In 1990, the proportion of males to females in mining and quarrying was approximately five to one. The monthly gross earnings of female workers was Ft 12,000,⁴³ compared with Ft 20,000 for men (KSH, 1991, table 4, 56). Such pay inequalities within the branch can be regarded as a consequence of vertical segregation. They were significantly smaller in the clothing industry, in which the ratio of male to female workers and employees was reversed with women's monthly average gross earnings amounting to about Ft 8,500 and men's to Ft 11,400 (KSH, 1991, table 4, 57). It can be seen that with these smaller inequalities, a significantly lower general level of pay goes alongside.

The earnings inequalities referred to above can also be explained in part by the different skills male and female manual workers possess, as well as being attributable to discrimination against women in employment. The ILO's Hungarian Labour Flexibility Survey of manufacturing establishments, which was completed in 1991, found a high degree of overt discrimination in the recruitment of production workers. "... 65% of establishments reported that they preferred to hire

⁴²The lower band was set at Ft 9000 - 18,000, the higher category covered Ft 18,000 - 100,000.

⁴³The quoted figures in this paragraph have been rounded.

men as skilled production workers while fewer than 15% had stated a preference for women" (Sziráczki & Windell, 1992, 484). However, the textiles, leather and clothing sectors constituted exceptions to the general pattern of the preference for men in skilled positions of employment. In those sectors of 'women's work', there was a greater preference for women. Concerning professional staff, there was a lesser extent of discrimination. Here, the percentage of managers indicating a preference for males came to 23.7%, while 9.2% preferred females, and 67.1% said they had no preference (*ibid.*). Industries with a high proportion of female workers were thereby more likely to give priority to female professionals (*ibid.*, 484-5).

Still, the number of women in management positions in industry is persistently low, and it is symptomatic of the rigid work segregation in Hungarian society that the large proportion of those females in higher management positions are either single or divorced (Krell, 1996, 18). At the same time, the proportion of female entrepreneurs increased strikingly in recent years, and especially since 1990. Whereas in the area of small enterprises, female entrepreneurs constituted 29% of those businesses established before 1990, this figure rose up to 41% for enterprises set up after 1990, thereby raising the rate of women among entrepreneurs in Hungary above international data (Nagy, 1995, 2; 4). It has to be noted though that an increasing number of women have started small enterprises for external (negative) pressure. They often saw no other option in financial terms, but starting a small business, which sometimes functioned as a part-time occupation. In 1993, 45% of women entrepreneurs had extra jobs and incomes. (Nagy, 95, 4-6). So the question arises whether part-time entrepreneurship is at all used as a means of reconciling wage-earning activities with household obligations, as is the case in Western countries.

Research findings in Hungary are rather surprising in this respect. Looking at the combination of marital status and entrepreneurial form chosen, it is married women, rather than single and divorced ones, who work full-time while single women are overrepresented among part-time entrepreneurs (Nagy, 1995, 10). This result is quite congruent with the general picture of part-time employment in Hungary, which shows that there is hardly any attempt to use this form of employment in order to combine employment and domestic duties (Ministry of Labour, 1995, 6.4). Part-time employment has always been marginal, with 0.5% of male, and 2% of female active earners being hired on a part-time basis in 1985. These percentages increased only slightly at the turn of the '90s, when there existed 1% of male, and 3% of female part-timers. Since 1992, the Central Statistical Office's

labour market survey revealed that part-time employment even lost ground (Ministry of Labour, 1995, 6.4). The reason for this may well be that the generally poor earnings in Hungary make part-time employment an unfeasible option.

The entrepreneurial field has also been characterised by gender segregation. Both sexes pursued their traditional fields in so far as men were mostly artisans while women found highest representation in the area of retailing. However, women's second largest sector of entrepreneurial activity was that of the self-employed intellectual (Nagy, 1995, 12-13). This can be interpreted as a result of an increasingly skilled female labour force who can offer professional skills and high qualifications, and do not regard their occupations as a mere alternative to housewife-activities.

So far, we have covered theoretical socialist approaches to gender inequality. The practice of women's situation in state socialist societies was examined, and the most recent developments in Hungary after the economic transformation were looked at. We shall now turn to the analysis of our interviews which tried to elicit unionist officials' and managers' images of female workers.

4. Data analysis: the framework

It was argued in Chapter 2 that one important source of earnings inequality between the sexes consists of unequal access to well paid jobs. With the data collected in this study, the aim was to obtain indicators of interviewees' assessment of women workers, and their judgements on the suitability of women in certain jobs. To what extent and on what grounds did interviewees accept or advocate gender segregation of work?

In the analysis of responses, existing theories were used as reference points. After all, the phenomena of horizontal and vertical job segregation can be observed on a worldwide scale, although specific explanations for particular countries and regions have varied. As briefly referred to in Chapter 2, it has been argued that three basically different theoretical perspectives can be singled out, which are generally applicable (Izraeli & Adler, 1994, 9). While these specific approaches have been presented in order to explain vertical job segregation, it will be seen that each of them can usefully be extended to the horizontal dimension. Unfortunately, systematic investigations into women's management position in former state

socialist countries emerged only at the end of the '80s (Izraeli & Adler, 1994, 4).⁴⁴ This means that few Hungarian illustrations of the three theories are at hand, other than the mere statistics cited above. However, by using these perspectives as reference points for our data analysis, some flesh can be put on the theoretical and abstract skeleton of job segregation.

The first perspective of job segregation relies on *individual-level differences* between men and women. Males and females are claimed to have different personalities and behavioural patterns deriving from either the socialisation process or biological predisposition. Where male characteristics are taken as the norm for effective managerial performance, women's actual or perceived divergence from such norms are taken as given, and used to explain women's limited representation in managerial positions (Izraeli & Adler, 1994, 9). Other individual-level differences can be constructed in a way in which they lead to horizontal job segregation, as the example of the channelling of girls and boys into particular types of training for employment has exemplified. It is perhaps partly due to assumptions about girls' lesser talents in technical areas of work that they tend to be underrepresented in vocational schools, and dominate in types of education focusing on humanities.

The second perspective focuses on obstacles or aids for women's careers in the *organisational context*. It is argued that the typical features of organisations, i.e. vertical segregation as well as structures for promotion, have a much greater impact on attitudes and behaviour than individual personality characteristics. More specifically, the fact that women are concentrated in low-ceiling posts and career tracks with limited promotion opportunities is referred to in order to explain women's lack of career ambitions (Izraeli & Adler, 1994, 10) and people's unwillingness to see more women in higher posts. Changes in these opinions would then depend on changes in the organisational set up.

"People's treatment ... is not automatically fixed by inflexible characteristics but depends on their numbers in a particular situation. Change in the behaviour and treatment of women in token positions is strongly tied to shifting proportions. ... It seems clear that numbers, especially relative numbers, can strongly affect a person's fate in an organization. This is a system rather than an individual construct - located not in characteristics of the person but in how many people, like that person in significant ways, are also present" (Kanter, 1977, 241).

⁴⁴ Such investigations began in the US in the early '70s, in Western Europe in the early '80s, followed by Asia in the mid-80s. At the end of the decade, the studies were finally taken up in the People's Republic of China and -as mentioned- in Eastern Europe (Izraeli & Adler, 1994, 4).

Due to the recognition of women's underrepresentation in higher posts as a system phenomenon, system-level intervention -namely quotas- are advocated (Kanter, 1977, 241).

In theory, perceptions about the presence or absence of one particular sex in a particular occupation can also apply to horizontal segregation, as well as to the male sex. The low number of males, for example in the area of child nursing, can not only be envisaged as having an effect on men's interest in this type of work, but may also lead employers to comply with the traditional pattern. However, we will see in our interviews that the organisational context approach barely featured. While some aspects of it may have played a role in the context of some other approach, the perspective was not subscribed to as a mono-causal explanation by interviewees.

The third approach tries to tackle the common problem of the first and the second perspective, which both ignore the effects broader societal forces have on organisations and on women's position within them. People's status and role in organisations are now seen to be inseparable from those in wider society. Consequently, societal influences outside organisations are examined in order to gain an understanding of women's position in the area of management. The claim is that culturally rooted notions of women and men are likely to be intrinsically linked with organizational concepts and practices (Izraeli & Adler, 1994, 11).

Hence, the third view is to unveil *institutionalized discrimination* by looking at organisations as neither objective nor gender neutral. While the first perspective highlighted assumed inadequacies of women, and the second one rejected the possibility of management's outlook on the entire organisation -including the allocation of positions- being guided also by (discriminatory) assumptions about gender, the third perspective has been described by Izraeli and Adler (1994) as looking at the role of management more critically. Management is regarded as an occupation involving assumptions about certain requirements which have to be met for success in particular jobs. In Western countries, research results yielded that there was a consensus between men and women managers who both tended to perceive those life-styles as ideal for their profession which are usually associated with men.⁴⁵ For example, management summarised the requirements of their own

⁴⁵ A more recent study in the late '80s confirmed the enduring force of such views, but only among the male population (Izraeli & Adler, 1994, 12).

job with 'organisational commitment', thereby referring to the need to work long hours, no career breaks to care for family members, and other features advantaging a typically male way of life (Izraeli & Adler, 1994, 12).

But it appears that this description of the third perspective fails to achieve the goal the theory set itself in its attempt to rectify the flaws of the first two approaches. The identified close link between somebody's ascribed role inside and outside of organisations has not been done justice. The description of the theory is limited in its focus on management and their discriminatory action, and societal influences are granted importance only in as far as they influence management's views. The obvious strategy arising from such an analysis could then run the risk of being narrowly confined to changes in the preconceived attitudes of managers, without simultaneously addressing the social roots of gender inequality.

Here, Chapter 2 can be referred to where it was shown that social and cultural factors can hinder women in their pursuit of higher education or training of a professional kind - the preconditions of a smooth career. There are other obstacles for women to overcome once they have reached a certain stage in their working lives. If the ability of working long hours is perceived by management as a desirable feature of potential employees, and if this characteristic is commonly held by more men than women, then the issue is two-fold: the question is on the one hand whether the required ability is really of as much value to the firm as has been attached to it. On the other hand, our awareness of organisational practices being linked to our culturally implanted notions should encourage the examination of male and female roles outside organisations, and more specifically ask the question why men are able to fulfil some requirements which women cannot. In other words, if the set-up of firms is claimed to be gender-biased, then this will almost always have reasons internal to the labour market, as well as external to it. If the third perspective takes this into account -as it has been claimed it would- then the integrity of the institutional discrimination approach also depends on its societal dimension, which includes the examination of (perceived) male and female roles outside organisations. It is in this way that the approach will be used as source of referral for our data analysis. It will deal with institutional as well as societal factors of (indirect) discrimination against women.

Concerning the analysis, we are first of all interested in the assumptions held by the participants of our study, no matter how 'objective' or how 'distorted' we would judge these assumptions to be.

4.1. The individual level perspective

4.1.1. Men's views: 'Difference' as restricting

It was argued that gender inequalities in the allocation of jobs can be attributed to individuals or groups of people whose perceived common personal traits are taken as responsible for success or failure in the area of employment. Five of the fourteen male interviewees paid much attention to supposedly male and female traits in their attempt to explain in particular vertical job segregation. A male interviewee of the textile branch union maintained that he was convinced that men and women would often have similar educational backgrounds which would qualify them equally well for management positions. And yet, he had to concede that many more men were in such posts than women.

Trying to make sense of the situation, he emphasised that "men are able to sell the little they have better than women are able to sell the more they have". In his view, men were more diplomatic, more flexible and more ambitious than women. All these attributes were seen to be essential features if the road to management was to be completed successfully. Women were lacking those, as well as assertiveness. While this account highlights the characteristics of two groups so constructed, the interviewee also mentioned briefly the concept of 'social forces' as contributors towards pushing men forward and holding women back, despite their skills and abilities. Hence, he recognised other than purely individual components.

Women's skills and abilities were also appreciated by a manager-interviewee in a metal working firm, but it was regretted that women lacked some physical attributes, such as strength. This was given as part of the reason why women remained less successful than their male counterparts. Moreover, one 'characteristic' of women was singled out particularly, and presented as debilitating in the pursuit of a career. The interviewee argued that women cannot work the same length of hours as men can, the simple reason being that they have to collect their children from the nursery. This would obviously have an impact on the job they were able to occupy, as well as on their earnings.

The kind of inequality referred to could have raised many issues at the societal and institutional level: Why do *women* collect their children? How do men's working hours affect women's lives, and their opportunity to participate in the labour market on an equal footing to men's? How desirable are men's longer hours of paid

work, and how does this affect men's private lives? Considering the role women play at present, to what extent do institutional arrangements, such as nursery opening hours, constrain women in their possibilities of engaging in employment? It is certainly true that these questions can rarely be found in public discourse in Hungary, and the interviewees' line of thought seemed to reflect this.

Following his emphatic statement that he thought this situation was unfair ("I feel very strongly that these circumstances are unfair"), he did not pursue any of these questions when asked to elaborate on the issue of unfairness, and did not move beyond the assumed personal characteristics:

"What exactly do you think is unfair?"

"That women do not get the same pay as men do for the same job. Isn't that unfair?"

"On what grounds exactly do they not get the same pay for the same job?"

"Men are stronger, can work faster and get more done, plus they can stay longer. Isn't that unfair?" (MM)

Women's perceived characteristics were first of all seen as being necessarily inferior to men's, whereby those types of work were selected in which physical strength - a supposedly male attribute - is required. Secondly, no distinction was offered between socially unalterable features men and women possess (in general, men are physically stronger than women, and there may be certain areas of work in which this condition allows men to work faster), and those which are alterable (there is nothing 'given' in the fact that it is women who tend to care for children). And there is, third, the question of how far child-care facilities could contribute towards a levelling of working hours between men and women.

Having raised all these issues, it is not the purpose here to suggest any ideal arrangements. It is certainly disputable whether women's hours in paid work should be increased, or whether children should spend more time without their parents. The purpose of considering all these possibilities is to highlight the fact that in the above mentioned interview, all the reasons provided for a perceived unjust arrangement were confined to personal characteristics, and possible external factors were excluded. Of course, in so far as those external factors are well established, it is not surprising that they have become accepted as given. In fact, the male trade unionist of the same firm voiced a similar attitude, although not less explicitly.

"Family obligations are an objective fact, and this is the reason why women are not in leading positions. And they are not volunteering for them either, for the same reason. ... In the higher levels of management, there are no women. ... I can't really tell why it is like that, but many women can't do what should be done in these posts, such as working many hours. I am serious when I am saying I can't see any discrimination in this firm." (MTU)

The way in which 'discrimination' has been constructed here adds nicely to the picture of the 'unjust circumstances' mentioned above. There is no overt discrimination which would be blatantly based on the category of gender per se. Both interviewees were confident that, in principle, women are just as capable in management positions of any order as men are. The roots of gender inequalities were seen to lie exclusively in the unquestioned double-role women occupy as workers in the domestic and the public sphere. The unionist's perspective in particular represents the typical liberal approach to inequalities between men and women. As long as equal opportunities exist in theory (he assured that in this firm, women, too, were free to apply for any post), inequalities in outcome are secondary. The focus is, again, on the characteristics of the individuals, while the structure of jobs in the firm remains unattended.

It should be added here that apart from the area of administration, the firm in question was very male dominated. Both interviewees commented on this situation in some ways, suggesting that metal work, and more specifically the production of buses, are not feminine jobs, and are therefore not for women. While the normative tone of this statement rules out its categorisation as an organisational context perspective, it may still be the case that interviewees' opinions on women's rigid limits to a career commitment may at least have been fostered -if not provoked- by women's absence in the higher levels of the career structure in this firm. The same could obviously apply to the fact that women are rarely seen to perform physically heavy work.

By contrast, women dominate the area of administration in any industry. It was here where two male unionists were convinced that women were indispensable, since men cannot endure the monotony of this job.

"A woman has more patience in administration and statistics. If a man had to sit down to do these things, he would go nuts. Men aren't very good at this kind of mechanical work. There are some exceptions, but in general my experience is that they can't do it. There are few men who like doing meticulous work." (MTU)

This indicates the symptom which also featured in the earlier referred to Hungarian Labour Flexibility Survey, in which employers appeared to discriminate in favour

of women in the textile, leather and clothing sectors: women are distrusted in male areas of work, but 'in their place', women are well liked by men (Cockburn, 1991, 68). Still, the argument that only women are suitable for some type of work is often accompanied by a description of these jobs which is quite derogatory.

4.1.2. *Women's views: 'Difference' as manageable*

How did female interviewees deal with the issue of domestic obligations and women pursuing careers? In contrast to their male colleagues, none of the women in our sample concentrated on the obstacles to employing women, or even denied ways of managing within the existing social and economic structures. The reason for the absence of pessimism could have been based on personal experiences, as in the following two cases, in which the respondents described the possibilities, rather than the problems of female employment.

Referring to the weaver women at a textile firm who were working in three shifts, a management representative said that this working pattern required much planning on part of the women. But since they were informed about their shifts in advance, they would usually manage to organise their lives around them. The perspective taken by another manager in the same industrial branch was similar. When talking about potential problems which the employment of women could imply for the firm, she referred to the fact that many women had now managed to minimise the interruption of their paid work arising due to childbirth:

"There is no problem any more, because the women are likely to come back earlier than they used to after having a baby. For example, my daughter is twenty seven, and works as an engineer. She had a baby, and she went back to work after seven months. So this can be done. When the family is able to provide a baby-sitter, then there is no problem."
(TM)

Of course, the two views could be overly optimistic of women's abilities to fulfil certain requirements and the interviewees might have wanted to preempt possible suggestions for onerous changes in their firms. At the same time, such opinions may well reflect women's flexibility, creativity and willingness to adjust to situations should need be - often, of course, at considerable expense in terms of stress and feelings of guilt that obligations have been neglected. Moreover, the example of the babysitter indicates the possibility of having to rely on other people, or of facing financial costs which can only be met by women in relatively well paid positions, as was obviously the case with the manager's daughter.

So far, we have concentrated on those views which emphasised the differences in characteristics between men and women. All the possible difficulties which women in employment may encounter were attributed to their traits rather than to external conditions. The design and implementation of strategies to address problematic situations were left to personal initiative. In the following section, we will move step by step away from this individualistic outlook towards the third perspective of our theoretical framework, which includes institutional and societal elements. Here, our interview-data suggests the existence of three stages in which interviewees could find themselves. The first stage consists of the search for influences other than personal characteristics on career prospects. The second stage involves the actual recognition of particular factors external to the individual. And thirdly, there is the willingness and ability to address certain acknowledged difficulties.

4.2. Recognition of institutional and societal obstacles to women's equality

4.2.1. Looking for external factors

One female interviewee seemed to suspect that society's institutions at large, and her firm in particular, were structured in a way which put women at a disadvantage, but she could not pinpoint it.

"The number of women in higher positions is small."

"And are women as suitable as men for such posts?"

"Yes."

"Do you think women's domestic work is seen to conflict with their paid work?"

"You can put it this way, too, but this is not the real reason. It's simply some views from the past which have been kept over years. And when you look around in the country, for example in the area of politics, it's the same all over."

"Should anything be done about this situation?"

"Yes. At least when a job is advertised a man and a woman should have the same opportunities."

"And this does not happen at the moment?"

"I don't want to say directly one way or another. But I think that when an engineer is wanted, and a man and a woman apply, it's probably the man who gets it." (MTU)

Whereas we have seen before that none of the female interviewees explicitly mentioned a bias towards male life-styles in all kinds of social and economic arrangements, the example cited now shows that the interviewee sensed some discriminatory mechanisms, but could not present a specific account of those. This could be interpreted as a result of the low profile discussions in Hungary with regard to problems surrounding discrimination built into the structure of the labour market and other institutions - a topic probably much confined to academic circles. Notwithstanding, other interviewees took the analysis one step further, and identified forces limiting women's employment possibilities which are outside women's control.

4.2.2. *Acknowledging external factors*

One external factor influencing women's (and men's) employment, which was cited by nine interviewees, was that of 'tradition' and, related to it, 'customs'.⁴⁶ The concepts were mainly mentioned in the context of *horizontal* job segregation, in particular related to the jobs of sewing and weaving. Interestingly, five interviewees accounted for the overwhelming dominance of women in these fields in terms of traditional arrangements rather than in terms of skills women were thought to possess and men to lack. Only one respondent added a further component to tradition (women's more sensitive fingers), and another referred exclusively to women's higher manual dexterity.

One male and one female interviewee made the following assertions.

"Men don't like to work in a clothing factory. Many people are unemployed nowadays, but men do not want to do sewing work. ... Men who sew don't exist. It's a tradition."
(LIE)

"Do you think that with increasing unemployment, more men will enter the industry in future times?"

"No. This industry has traditionally been female. ... It's a custom. Sewing is more associated with women. Nobody ever thought of asking a male unemployed to acquire skills in sewing." (CM)

⁴⁶ Just as in the English language, the concepts of 'tradition' and 'customs' in Hungarian ('*hagyomány*' and '*szokás*') are interchangeable to some degree, but differ in their scope: 'tradition' can be seen as a wider concept, encompassing customs, as well as, for example, opinions, beliefs, principles and practices. Important to note is that according to Hungarian native speakers, 'tradition' tends to have positive connotations, while 'custom' is a more value-neutral concept.

And a female manager referred to men's presence in the technical area of an otherwise female dominated industry:

"Are there more men or women doing the weaving?"

"It's always women. It's interesting, but before WW II, the weavers were mostly men. They were working night shifts. In the '50s, there was so much work that they needed women to enter this field. And gradually, the proportion of female workers became bigger and bigger. But the men are still the technicians and are responsible for the maintenance of the machines. This is tradition." (TM)

'Tradition' was also cited as the reason for men's greater willingness to strike, as well as for men's higher pay levels.

Referring to *vertical* job segregation a male trade unionist of a textile firm asserted that there was no problem with women in higher positions in his firm. However, he pointed to prejudices against women outside the company, which render females ineffective for their tasks.

"It is not that there is a problem with women in higher positions in this firm, but the problem lies outside the factory. Bank managers and administrators outside the firm with whom she has to deal, they get on better with men than with women." (TTU)

Of course, some suspicion with regard to this statement may well be in order, and we could regard this view as an easy excuse for the lack of women at the top of the hierarchy. But seen in the context of the whole interview, this person tried several times to make clear that he himself had much confidence in female managers. This trust was partly based on personal experiences, as his three sisters all occupied management positions. According to the interviewee, "they always land on their feet and can make quick and clear decisions" - an observation which he believed could have biased him in favour of female managers.

In fact, it is certainly not unlikely that high-ranking (male) professionals have discriminatory preferences, and would rather work with other men than with women. Research in a US corporation revealed that in order to reduce uncertainty in business life and to communicate smoothly, managers were driven towards homogeneity and conformity. They liked working with men, as they could be most sure of them (Cockburn, 1991, 65). In many areas of work, whether technological or managerial, men have been observed to generate a masculine culture at the workplace, signalling to women in the upper reaches that they are out of place, and receiving them rather coldly ('the chill factor') (Cockburn, 1991, 66-7). It is possible that these patterns of behaviour do not 'only' lead to uncomfortable feelings on the

part of women, but that they also influence business detrimentally - what seems to have been suggested by the interviewee.

In summary, interviewees tended to refer to tradition rather than to supposedly female skills as determinants of the feminisation of certain work areas. In cases relating to horizontal job segregation, acceptance of the status quo and the absence of suggestions for possible changes may be related to the very nature of a concept such as 'tradition'. Traditions are usually conceived of as being virtually unchangable, not least because they have a normative as well as a descriptive component. Moreover, maybe disadvantages arising for a particular group of people from horizontal job segregation are not immediately identifiable, as noone seems to have been deliberately constrained in their ambitions.

This does not apply to vertical job segregation, where it was recognised that women face limits through no fault of their own. Still, the interviewee quoted above did not consider any possible interference with this injustice. Again, dealing with factors at societal level is a wearisome task, with feelings of powerlessness easily dominating. So it is possible that the crucial difference between the examples in this section and the case discussed next, when a management representative took action to support women workers, is the level at which a problem can be addressed. Since management has considerable control over arrangements in a given firm, this situation lends itself much more to intervention.

4.2.3. Dealing with external factors

Only in one case had management actually taken positive action to render the firm more flexible in order to deal with women's needs. Asked about the hypothetical situation of having to decide between one male and one female job applicant with the same qualifications, this was a female manager's response:

"Difficult question. ... The only drawback of women is that when they are very young, under 35, maybe they want children. But we are trying to organise the workshops in such a way that if there is a very young female worker, we try to put an older one next to her. In case she has to go off, we can deal with this more easily". (TM)

Harmonizing women's needs with those of the firm was thus done not by leaving it to the individual's ingenuity to find a solution, but by taking positive steps which concentrated on the structure of the firm. Similarly striking in this example, the interviewee was not looking at women as one homogeneous group with shared characteristics, but was thinking of them as individuals with different preferences,

whose tendency for one choice rather than another usually coincides with a certain stage of their life-cycle. Her analysis of women's employment took place on an individual level, and was then put into the institutional context.

To sum up this section: our interviews indicated some important differences between male and female views of women workers. However, it has to be taken into account that all the female managers quoted here were employed in the textile industry, while their male counterparts held positions in metal working firms. The significance of this lies in the fact that textile firms are highly female dominated, and it was pointed out in interviews that men would rather be unemployed than be drawn into the workforce of the light industry. None of the managers of clothing and textile firms in our sample espoused the ideal of women as full-time housewives and mothers, but none of them challenged it either. This is noteworthy as in their situation, such an ideal would certainly be incompatible with the (present) requirements in the light industry, where women workers have to be relied upon. For management interviewees in this branch of industry, there seemed to be no choice with regard to women's employment. Certain contingencies which arise due to women giving birth, and due to perceived traditional pattern of work division have to be addressed. This is not to deny that women managers saw intrinsic benefits in paid work; that they valued the female workforce they employed, and were willing to help them in circumstances where the combination of job and other obligations proved difficult. It is, however, the case that in the metal working industry these problems can be circumvented. Here, the employment of female workers can be avoided altogether, or jobs can be allocated to females in areas like administration, which are perceived to be tailor-made for women.

Let us move beyond the explanations interviewees offered for a certain state of affairs and their relation to the two perspectives outlined above, which proved relevant for our interview data. It is also of interest to examine how interviewees evaluated the perceived status quo and their opinions on 'ideal arrangements'.

4.3. Evaluating the status quo

4.3.1. Men's views

Could any normative stance be elicited concerning the current situation? At least four of the fourteen male interviewees were clearly reluctant to give an evaluation of the situation, preferring to talk about 'what is', rather than what 'ought to be'. This could be done by leaving a question unanswered. After a trade unionist in a metal working firm was repeatedly asked in various ways how he evaluated women and men's need for a certain pay-level, he wanted to settle the issue in this way:

"In Hungary, the family with two earners is the standard. And who provides for whom, that's not really a valid question. In an average family there is no choice, but both, man and woman, have to work, and it's not unusual for women to earn more than their husbands." (MTU)

So the question enquiring into his evaluation of male and female employment was dismissed, and a response provided consisting of a simple description of a situation. Considering that at least throughout the socialist period in Hungary, the two earners model was indeed the norm, and taking into account the fact that this situation has hardly changed in a capitalist economy characterised by low earnings, the last evaluation asked for in interviews may well have sounded an irrelevant exercise for some respondents.

In three similar cases, some opinions of interviewees could still be extracted, albeit indirectly. Here, despite the knowledge of pronounced vertical job segregation, interviewees were convinced that no discrimination took place, but that such arrangements were "accidental" and had "just happened". Obviously, where attitudes are such that no interference is deemed necessary, then this could suggest some kind of contentment with the status quo, or at least no pressing dissatisfaction which would prompt any action.

Explicit evaluations of the present situation were provided by three of the six male managers in the sample, all of whom belonged to the metal industry. They explained women's underrepresentation in the higher echelons by referring to the division of labour in their own household, which involved their wives doing the bulk (or all) of the domestic and caring work. Various assessments of the situation were given. The most accommodating view towards the greater sharing of duties by one interviewee was that he could imagine a role reversal in principle, but in

practice, he argued it would prove impossible. It was he who held the well paid post, while his wife was a secretary with an average income. According to him, their arrangement was the most practical one, and the wife had been aware of her (future) role when they got married. Therefore, she also accepted the division of labour, and it did not pose any problem for them. Another of the three interviewees in this category made fewer concessions.

“Good engineers work from eight o’clock in the morning until midnight. Women cannot do this, because of their family responsibilities. Their knowledge and ability can be the same [as men’s]. But because of the Hungarian way of life, most of the work at home is on the shoulder of women. This is true for my home, too.”

“Could you envisage any changes in this situation?”

“No. There is no problem with this. So it’s not an issue.” (MM)

In other words, this interviewee could neither envisage changes in principle, nor in practice. When asked about one married female manager at his firm, and how she managed to combine the two roles she presumably had -as a housewife and a manager- the interviewee responded that in long meetings, he would sometimes phone her husband in order to apologise that they were keeping his wife late. So he did not see this female manager as an example of the fact that it is possible for women to pursue a career despite the ‘Hungarian way of life’, but must have perceived the situation as somewhat improper, demanding an apology where customs seemed to have been violated. This is in accord with the individual-level approach, where there is an awareness of social rules and procedures conflicting with the activity of some individuals. What is questioned then are not the rules, but the appropriateness of that person’s activities.

We may want to look at the spectrum of evaluations here as a continuum, ranging from the one end where the view was expressed that nothing is intrinsically ‘right’ in the status quo (i.e. in principle, changes are possible), to the attitude that nothing is ‘wrong’ with the present situation - there are no problems with it at all. Therefore, considering changes is an unnecessary exercise. At the other end of the spectrum, we find the following opinion expressed by the third manager here. He believed that there was no alternative to current arrangements, so that their conservation was an imperative. Here, role ascription was at its most rigid, as women were judged to be better at looking after children because “women have souls. They are the soul of the family. But the job of a man is to provide.” - the individual-level perspective at its clearest.

4.3.2. *Women's views*

The very fact that our female interviewees were active in the labour market - some of them in management - raises the expectation that their views of women's responsibilities and paid work will differ from those of their male counterparts who espoused clear 'ideal roles' for women and men. While we have seen that women managers took a more flexible approach to the issue of female workers, perhaps due to personal experience, more traditional views of the division of labour can be found here also. Interestingly, in the two cases in which such views were articulated most explicitly, this was done by female unionists whose interests in female employment might well differ from that of women managers.

In a textile firm, a female trade union official gave information about dismissals in her firm. She was asked if she thought men and women needed paid work equally much, and responded as follows:

"In the textile industry, the situation is special, as most of the workers are female. But in my opinion, generally speaking, men should be kept in employment, so that women can stay at home with the children. This is what happened in our branches in the countryside. Men have retained their jobs, and women are staying at home and grow something on a little plot of land. But we didn't really have the choice here, as we employ mainly women." (TTU)

So the ideal is for women to stay in their domestic environment where there are also possibilities for them to contribute to the maintenance of the family, for instance, by producing some goods for consumption. A similar opinion was held by the trade unionist in a metal firm, who also believed that it was more important for men to keep their jobs, "because they are the family supporters. But nowadays in Hungary, and it will perhaps be the same in the future, people can't live on just one wage".

Although she recognised that both incomes were necessary, the man was labelled 'family supporter', and his inadequate earnings for maintaining a family were seen as interfering with the ideal of the traditional division of labour. We might want to view such attitudes in the context of the afore mentioned 'Hungarian way of life', i.e. the double burden of Hungarian women. Taking into consideration the fact that women have to do the bulk of the domestic and caring work, as well as engaging in paid work with perhaps few rewards, it is not surprising that the release from one responsibility is perceived as better than an exhausting double-role.

5. Conclusion

Referring back to our initial framework of analysis, quite clear conclusions can be drawn about the individual-level perspective, on which the first part of our data analysis was based. Here, it is intriguing to see the extent to which interviewees tended to stress differences between the sexes, highlighting those assumed characteristics of women workers which were seen as potentially problematic (motherhood); or, in the case of assumed mental and physical attributes, emphasising those which were regarded to be of different or lesser value than those of their male counterparts. Even where women's human capital was initially assessed to be identical to men's, or where men and women were said to be capable of making different, but equally valuable contributions to firms, such concessions were then qualified by referral to an assumed common female characteristic detrimental to business.

Interestingly, common images of women workers held by male interviewees were sometimes contradicted by personal experiences with female workers or employees: while women's physical and time limits were seen as necessarily restricting, a female manager in the firm was acknowledged to perform well - although she was perhaps deemed to neglect her obligations as a housewife. It was also pointed out that women managers face prejudices prominent in wider society which may render them less efficient than men. But simultaneously, the interviewee who took this view judged his sisters to be efficient in their management position.

In other words, when the evaluation of women's role at work was actually done at the individual level, i.e. when individual women known to the interviewee were referred to, their assessment was very favourable. This contrasts with those evaluations of an anonymous group of people with ascribed characteristics often different from those observed in known individuals. Since female interviewees who worked in female dominated industries could always refer to their personal experience with women colleagues, it is not surprising that their account of women workers was more positive.

Considering these differences in attitudes between men and women, which their individual-level analysis brought to the fore, certain aspects of the 'organisational context' theory could be regarded as being confirmed. The argument would then be that the more women are visible in positions which might be assumed to conflict with their other obligations, the more favourable attitudes become towards females

holding such posts. This would presuppose that possible reservations with regard to women in certain jobs are related to practical rather than to normative concerns. Men who see valuable norms infringed upon by the gradual dissolution of the provider/'soul of the family' dichotomy are unlikely to approve of high numbers of women in management, and would not wish such developments to be flourishing. Similarly, women who would prefer to have one job 'only' -the domestic- remain perhaps unconvinced that the high proportion of women in employment is the way forward. There may be a coincidence between vested interests and value positions adopted. Especially women managers' positive attitude towards female workers in the light industry, and men's insistence on the 'male breadwinner' could be understood in this context.

As concerns our third approach to job segregation, 'institutionalised discrimination', the part of the analysis which corresponded with this theory consisted of interviewees dealing with institutional and societal factors. One of the main themes which emerged here was that of 'tradition'. The concept was applied to female work (the seamstresses) as well as to male tasks (the technicians). What makes the interviewees' resort to tradition as an explanation so remarkable is the fact that the element 'ability' hardly featured in these cases. Only one of the six interviewees who thought of gender segregation of labour as a 'traditional arrangement' argued that it would be difficult for either sex to learn an 'untraditional' occupation. In the remaining cases, the (unspecified) elements which were depicted as determining labour segregation consisted of influence external to workers. Furthermore, in none of these cases was mention made of employers' perceptions of male and female ability and potential performance. In that respect, the interviewees' approach could also fit the 'organisational context' perspective in so far as their particular notion of tradition suggests the conception of a non-intentional combination of certain numbers of men and women in their respective areas of work. The existence of different proportions of women and men in different jobs could be perpetuated by people's awareness of such segregation, and perhaps by their accompanying belief that this division of labour is linked to suitability.

This was different in the cases where those respondents who focused on individual or group traits portrayed women's domestic role as a crucial obstacle in female employment - for women workers as well as for their employers. Returning to our discussion of the theoretical bases of women's liberation, it is noteworthy that this 'reproduction orientation' of looking at gender inequalities in the economic sphere

as simple *reflections* of inequalities in the private sphere is the reverse form of some version of the Marxist approach to gender inequalities.

Two observations are striking: first, while above, the 'reproduction orientation' was associated with a particular feminist strand, the statements made in interviews are, of course, far removed from this category. While a similar framework of analysis may have been in use, the crucial distinction lies in the evaluation of gender inequalities. In our interviewees' case, it is perhaps more appropriate to employ the more neutral term of 'gender differences', as they perceived men and women's contributions as somewhat complementary (careers are suitable for the male provider; domestic work is tailor-made for the female housewife and mother) and in the nature of the requirements of enterprises and families. Perhaps surprisingly, there did not exist any clear distinctive value system according to the sex of the interviewee. On the crucial question of women's and men's ideal position in the labour market, interviewees of both sexes portrayed the 'male breadwinner' as an objective in similar ways. However, female managers from the light industry, who depend on women workers, did not make explicit statements to this effect. At the same time, they did not suggest possible changes in men's domestic role.

Second, it is striking that none of the participants in the study actually used the 'production orientation' or Marxist concepts to examine why women tend to be at the bottom in the job market. It can be imagined that at least unionists in Western societies would have resorted to terms such as 'reserve army of labour' to explain women's economic role in capitalist systems. Married women could have been regarded as being easily drawn into the labour market when their (unskilled) work is needed, and being laid off in times of high labour supply - as, indeed, was the case in and after both world wars. Marxist ideas could also have been evoked in relation to women's unpaid domestic labour and its function of reproducing the labour force as well as maintaining it (Carter, 1988, 170-1).

The fact that these issues were not brought up in interviews can allow for various interpretations. Of course, it could be the case that interviewees neither subscribed to such categories under state socialism, nor did their experiences of capitalist society convert them to socialist ideology. Another version of interpreting the data, however, is to consider it in connection with the frequent references to 'traditions'. The usage of the concept of tradition conveys a sense of continuity, which none of the interviewees seemed to have found disrupted with the transformation.

Concepts appropriate to the current economic system in Hungary, but inappropriate to the previous system, were not evoked.

Hence, notwithstanding radical changes in the economic set up, interviewees seemed to have few, if any, impressions of change in women's and men's roles in industry and in the domestic sphere. In some respects, this is what could have been expected, as we have seen that state socialist and capitalist societies have actually shared many features in relation to the positions men and women were assumed to adopt. The next chapter explores to what extent the sense of continuity in gender relations also applies to the area of wage determination and the values underlying it. Can a clearer break with the past be found here?

CHAPTER 7

RATIONALES BEHIND EARNINGS DETERMINATION IN HUNGARY: PAST AND PRESENT

This chapter is divided into two main parts. The first part deals with Marxist theoretical justifications of earnings inequality in socialist society, and then turns to the practice of pay determination in Hungary before 1989, in which particular attention is given to the two competing principles of efficiency and justice. Moreover, justifications of pay inequalities especially in relation to different industries, occupations and gender are looked at. On this basis, some comments can be made about possible reasons for gender inequality in earnings which persisted in socialist Hungary despite the official rhetoric of equality between the sexes.

The second part of this chapter is concerned with current rationales behind earnings determination, relying on the analysis of the data collected in our interviews. It presents the description and evaluation of those factors which interviewees saw as constituting part of the earnings hierarchy today, and the prescription of elements which they would have liked to see included.

1. Factors determining the pay hierarchy in soviet-type economic systems

1.1. Theoretical justifications of earnings differentials under socialism

Explanations of pay differentials in socialist societies can be found in Marx's theory of value, when he demonstrated how the worth of certain commodities produced in different social and economic systems links with the 'proceeds of labour'. According to Marx, under capitalism, the value of commodities bought and sold in the market is determined by the amount of labour time required to produce them - the exchange value. Thereby, one part of the value created by the workers, the 'surplus value', is not returned to them, but is kept by the owners of the means of

production, and disposed of as they deem appropriate (Deacon, 1983, 26). By contrast, under communism, with the common ownership of the means of production, Marx envisaged that such deprivation of the producers would not occur. Whatever proportion the producers would not reap in their capacity as private individuals, the deductions from the 'proceeds of labour' would benefit them directly or indirectly in their capacity as members of society. This proportion would be used to satisfy communal needs of, for example, schools and health services (Marx, 1933, 10-11).

However, Marx conceded that communist society cannot be dealt with as if it had developed on its own foundation. Rather, it has to be seen in its historical context, emerging from capitalist society and thus being influenced by economical, moral and intellectual features of capitalism (Marx, 1933, 11). Hence, during socialism, i.e. the first phase emanating from capitalism, workers will still receive from society what they gave to it, rather than unconditionally receiving according to their needs.

"What he has given to it is his individual amount of labour. For example, the social working day consists of the sum of individual labour hours; the individual labour time of the individual producer is the part of the social labour day contributed by him, his share in it. He receives a certificate from society that he has furnished such and such an amount of labour (after deducting his labour for the common fund), and with his certificate, he draws from the social stock of means of consumption as much as costs the same amount of labour. The same amount of labour as he has given to society in one form, he receives back in another" (Marx, 1933, 12).

In other words, distribution of resources takes place according to labour. Equality exists in so far as the rights of producers are all based on an equal unit of measurement, i.e. labour, and no class differences find entry into the distributional principle, "because everyone is only a worker like everyone else" (Marx, 1933, 12). However, this equal right can lead to the outcome of unequal labour by unequal individuals, whose varying abilities and productive capacities are recognised by Marx as natural privileges (Marx, 1933, 12-13).

"Right by its very nature can only consist in the application of an equal standard; but unequal individuals (and they would not be different individuals if they were not unequal) are only measurable by an equal standard in so far as they are brought under an equal point of view, are taken from one definite side only, for example, in the present case are regarded as only workers, and nothing more seen in them, everything else being ignored" (Marx, 1933, 13).

So inequalities will inevitably occur based on differences in productive capacities. According to Marx, such 'defects' can only be avoided if rights are unequal instead

of equal, but this situation cannot apply in the first phase of communist society (Marx, 1933, 14). Apart from this, there is little in Marx's writing which would point to other possible sources of inequality, for example, between skilled and unskilled workers. The focus tends to be on the two opposing classes of wage-earners and capitalists, but inequalities within these two broad groups are neglected, so that only basic and general principles for wage setting are apparent. They comprise perhaps most importantly first, 'to each according to their labour', and related to this, second, 'equal pay for equal work' (Kornai, 1980, 125).

1.2. Justifications for earnings inequality in socialist Hungary

1.2.1. Promotion of efficiency versus ethical principles of a socialist economy

In socialist Hungary, work (ideally carried out in the public sphere) always constituted the basis of access to goods, which was seen as a socialist principle. The principle of need was not accepted unconditionally, but was seen in context of labour. In fact, the accent on distribution according to work implied at its extreme the acceptance of the Bible's command that 'those who do not work, should not eat'. Officially and in accordance with Marxist thinking, it was acknowledged that distribution according to need would initially have to be postponed, but would gain more significance with increasing wealth, and the beginning of the phase which was to follow capitalist and socialist society - communism (Ferge, 1991, 133; Ferge, 1988, 152; Deacon, 1983, 25).

However, policies defined by this baseline could not be as clear-cut as it might appear. For example, there was the question of how performance in work should be measured by the persons appointed. How should a certain quantity and type of work be rewarded, other than by arbitrariness? Difficulties were also likely to emerge due to the lack of clarity about the precise nature of these two phases, and the transition from socialism to communism. At what stage exactly should the agreed upon principles of a communist society dominate those of the socialist one? In addition, there were possible tensions originating from the uneasy combination of the principle 'distribution according to labour' with those ethical principles of socialism which were to distinguish it clearly from capitalist society. For example, there is the ethical principle of solidarity, with which socialism aimed at eliminating the cruelty found in capitalist competition. The capitalist ethos of abandoning the weak, rather than helping them to rise, was to be corrected (Kornai, 1980, 126; 1992,

324). This raises the question of the permissible scope of inequalities as they emerge from employment.

It appears that whatever the exact reasons of wage inequalities in socialist countries may have been, generally, we are dealing with two broad value systems which featured more or less prominently throughout the history of these societies.⁴⁷ First, there is what decision-makers regarded as principles of general validity for efficient management and organisation. Second, some ethical principles of socialist economics existed, the consideration of which could not be delayed until the forecasted communist phase if those outcomes usually associated with capitalist societies were to be prevented. Some economists of socialist conviction held the view that the two value systems were compatible with each other, while others saw inevitable dilemmas originating in the efforts of combining the pursuit of efficiency with the striving for justice (Kornai, 1980, 126). To what extent can we recognise the presence of these two value-systems in socialist Hungary?

In the early 1950s, the stated priority under the new system was to reduce income differentials. Social equality and the creation of a new socialist morality were high on the agenda. With the stress being on moral incentives in the shape of, for example, labour competition, the promotion of improved quantity or quality of production and the cleanliness of the workplace, wage differentials were small, and a radical reduction in inequality of income had been achieved by the 1960s (Swain, 1992, 59; Kornai, 1980, 125; 188-90; Kolosi & Wnuk-Lipinski, 1983, 7).⁴⁸ At the same time, however, living standards were falling: wages did not keep up with the steep rise of consumer prices, and in the mid 1950s, a Trade Union Councils' survey indicated that a third of wage or salary earners received an income below subsistence level. A pressing need for economic reform also existed, and discussions by economists centred around how to make the system more sensitive to costs, and thus more efficient (Swain, 1992, 56; 82; 88).

⁴⁷ The view has been advanced that, rather than dealing with two value systems for the distribution of earnings in Eastern Europe, these should be dealt with as two contrasting theories. In other words, it is maintained that one can, either, look at the economies of Eastern Europe as having been guided by the principle of 'each according to their labour', *or* as having been controlled by regimes which had the pursuit of a socially just, i.e. a more equal, society as their main objective (Atkinson & Micklewright, 1992, 76). However, it seems that the adoption of either the one *or* the other view would lead to broad generalisations, and that it would be more useful to examine when either of these tendencies appeared to prevail.

⁴⁸ In 1962, the differential between the top decile incomes in the highest income group, and the bottom decile in the lowest one consisted of only ten times. This was further reduced to eight times by 1972 (Ferge, 1979, 164).

Wage and bonus provisions can be regarded as instruments with which efficiency and increased productivity are to be stimulated in systems of wage regulation (Adam, 1976, 103-4).⁴⁹ Between 1950 and 1956, the 'relative wage bill', while taking account of the size of the labour force and its potential growth, included the possibility of a percentage increase in the size of the wage bill when the gross production value target was overfulfilled (Swain, 1992, 57). The natural objective of management, who were given extraordinary powerful financial incentives under the Stalinist model of central planning, was then to aspire to maximise these funds by (over) fulfilling the prerequisites assigned from the centre. No matter what other targets were included in the plan, such as cost reduction, profit plans, priority technical measures or overtime, management always gave priority to those which were bonus related. While top management could gain premiums of over a third of their basic salaries, bonuses for workers were insufficient to pose an incentive (1.2-1.3% of annual earnings, paid out of the firm's director's special funds), and for technicians were not clearly linked to the work done, or largely based on factors beyond their control (Swain, 1992, 56-7).

In 1957, the introduction of a profit-sharing system represented a further incentive for management as well as for workers to show interest in the performance of the firm.

“Although profit was not the guiding indicator within the planning system, it was a factor affecting managerial bonuses, and, since the system extended to all members of the work-force, for whom a profit-share quickly became an expected element of income, was an indicator which no enterprise manager could easily ignore” (Swain, 1992, 88).

In the same year, the average wage principle was introduced to replace the observance of an absolute wage fund. Now, the average wage per head computed for the whole firm was to control wage levels (Kornai, 1980, 379). Uniform wage tariff was abolished, granting some discretion to firms in establishing wages between centrally fixed wage bands (Swain, 1992, 88)

The creation of incentives has been high on the agenda in Hungary when the economic reforms of 1968 were devised. While wage levels remained controlled by the average-wage principle, this happened in a context where the absolute ceiling of

⁴⁹ 'Wage regulation' can be defined as the methods used to form the wage bill, and to regulate the increase of wages in firms in line with the objectives of the national plans. In the planned economies of the Soviet type, this included control over the bonus money paid out of the bonus fund, which was separate from the wage bill, and which underlied a different system of regulation (Adam, 1976, 92).

the total wage bill was removed (Swain, 1992, 104), and the new rule was established that wage increases from one year to the next depended on firms' profit. The incentive element can also be seen in the special bonus fund which was set up - similarly financed from profit (Redor, 1992, 134; Adam 1976, 104).

These arrangements can alternatively be looked at from the perspective of strict central control. Exceeding the limits prescribed for wage expenditure was legally prohibited, and could lead to sanctions, since certain bonus schemes discriminated against increases of wages which were not based on productivity increases. This financial stimulus was added to by moral incentives: managers at all levels were accountable to their superiors for their wage payments. Hence, the observance of wage-discipline was known by managers to be a very important criteria in the evaluation of their work (Kornai, 1980, 379-80).

Wage increases were also controlled and moderated by taxation levied on firms for wage increases over a specified ceiling.⁵⁰ These taxes may be interpreted as evidence for concern with the socialist principle 'equal pay for equal work', and as efforts to keep inter-firm wage differentials from increasing (Berki & Ladó, 1995b, 164; Redor, 1992, 134). Kornai (1980, 128) proposes that

"[t]he higher authorities themselves often feel that it is wrong to tolerate any serious inequality, since that would contradict the egalitarian traditions of the socialist movement and the acknowledged principle of 'equal pay for equal work' ".

After all, linking wages to the profitability of firms may confer unfair advantages to those who work in conditions which are well endowed with capital goods, and which may promote productivity independent of workers' efforts; or to those firms involved in export, which happen to be favourably affected by changes in world market prices, while others may lose out (Kornai, 1980, 128).

In fact, the outcome of the wage and bonus regulation shows that performance or 'success' indicators have played a small role in wage dispersion at an inter-sector and inter-firm level. Looking at the possible relationship between pay and

⁵⁰ The level of taxation has been described by Redor, a French economist, as "very gradual" (Redor, 1992, 134) while two Hungarian labour market researchers Berki and Ladó comment that wage increases were "heavily taxed" (Berki & Ladó, 1995, 165). While neither of the authors give any details about the exact size of the tax, it may be that their opposite interpretation reflects their different backgrounds, and what appears moderate taxation for a person used to certain tax-levels in capitalist countries can seem a substantial amount for somebody whose experiences are mainly related to socialist societies. Considering that we are interested in the possible effect the level of taxation could have had on managers' attitudes concerning pay increases, we should perhaps pay particular attention to Hungarian perceptions of the policies.

productivity in industrial sectors on a short term basis in Hungary between 1960 and 1980, it is difficult to detect evidence of extra-rewards for the more productive sectors. Redor (1992, 110) found that whereas differences in the evolution of sector labour productivity were substantial (in part related to differences in technical progress or variations in demand for goods in the market), the growth of sector wages was closely correlated.⁵¹ He accounts for this correlation with the competition between sectors to attract labour, as well as with state interventions aimed at maintaining equal growth in sector wages as a whole. Kornai (1992, 532; table 23.1) also provides evidence for the years 1971-89 that the growth of output per capita in the entire Hungarian economy was exceeded by the increase of nominal wage rates most of the time.

Again, there are various possible views of the disconnection of enterprises' performance and wages and the accompanying more equal pay distribution. From an economic angle, it can be argued that attempts were made to keep the purchasing power of the population stable, and the fear existed that inequality in pay would lead to uncontrolled mobility, thereby upsetting the distribution of the labour force (Redor, 1992, 110-111). Concerning socialist ethics and a more equal pay distribution, it is certainly dubious how much importance policy makers attributed to this possible objective when despite the likelihood of restrained inequalities of pay *between firms*, wage liberalisation policies were likely to encourage increased pay differentials *by occupation*. The fact that in 1968, the centre started fixing only the average wage levels of firms resulted in enterprises beginning to employ a high number of very low paid workers, in order to be able to award relatively high salaries to some people in key jobs (Ferge, 1992b, 159). Often, earnings inequalities occurred in a camouflaged form, as was the case after widespread dissatisfaction with the 1969 profit share, which distinguished between managers and workers. Post 1969, income inequalities appeared more in disguise, under a range of bonus headings. Instead of receiving a disproportionately large profit share, managers obtained a new 'profit premium' (Swain, 1992, 118).

The tendency of widening pay inequality was likely to be reinforced by further liberalisation of wage determination in particular following debates on wage reforms in the mid-80s. While some politicians and experts regarded central wage regulation as the only means of avoiding 'excessive' wage increases, it was also

⁵¹ Here, Redor looked at variations of the nominal wage rate and variations of labour productivity in volume and prices.

argued that a restrictive wage policy did still not manage to keep inflation low and to limit purchasing power effectively.⁵² In addition, low wages could neither lead to motivation, nor fulfil its allocation function. Extensive wage liberalisation followed in 1988, and personal income tax was introduced (Cukor & Kövári, 1991, 183; Berki & Ladó, 1995a, 1; 1995b, 164-5)

In short, it seems that increasing wage liberalisation over the years can be interpreted as a move towards market principles, while socialist concerns certainly faded gradually in the late 50s, more so in the late 60s, and dwindled rapidly in the second part of the 80s. Hungary's unique experience of various reform measures already taken under the socialist regime can be seen as efforts to loosen centralised wage control while linking wages to some indicators of economic performance (Berki & Ladó, 1995b, 163). This may reflect as much interest in efficiency on part of policy-makers, as it may mirror the effects of liberalisation in the political field, and newly gained power by groups of people who clearly benefitted from local rather than central wage determination. The increased power of management versus the state apparatus is indicative: in 1984, the responsibility for enterprise councils shifted from the state ministries and local government authorities to the employees of the firm. While in theory, the employee based council system could have blocked the pay increases for management, in practice, such occasions did not arise, since many council members were directly subordinate to company managers. Furthermore, at least where skilled workers were involved in intra-enterprise subcontracting units (i.e. work groups which operated semi-independently in firms), their earnings increased by up to 50%, which then could be taken as a justification for management's pay increases (Cukor & Kövári, 1991, 185-186). Let us look in more detail at pay inequalities by occupation as well as by industrial sector.

1.2.2. Inequalities by industrial sector and occupation

As mentioned, the principle of 'to each according to his labour' was soon applied in socialist Hungary, at least in so far as employment constituted the only legitimate source of income. As early as in the 1950s, rewards from employment, including the various benefits in money and kind accruing from it, were responsible for the new

⁵² To keep the purchasing power at a certain level was important in socialist economies due to their attempts to harmonise the macro plans for investment and consumption with the annual average wage increase. Once the amount of investment was decided, consumption had to be kept under control, so that the use of resources for consumption did not infringe on the investment plan (Kornai, 1992, 224).

stratification. In other words, the traditional class structure was replaced mainly by an occupational strata.

However, while the principle of 'to each according to their labour' was the core of socialist ideology, 'work' was a politically loaded concept, and not all forms of labour were regarded as equal. The distribution principle 'equal pay for equal work' was interpreted rather widely (Ferge, 1992b, 158; Kornai, 1980, 125; Swain, 1992, 188-90; Kolosi & Wnuk-Lipinski, 1983, 7).

The fact that the 'equal pay for equal work' principle had officially been applied in Eastern Europe notwithstanding, even in clear cases of 'equal work', inequality of pay persisted. In Hungary, at least until 1968, employment in the state sector was regarded the most 'socialist' type of work, and enjoyed most positive evaluation. Work in co-operatives was less positively evaluated, and self-employment or home industry were strongly depreciated, with the self-employed being the only group who were liable to pay direct taxes after WW II (Ferge, 1992b, 158-9; Ferge, 1988, 158; Atkinson & Micklewright, 1992, 94). Similarly, there was considerable pay difference between industries, in particular between the 'priority' and 'non-priority' sector (Nagy & Sziraczki, 1981, in: Redor, 1992, 140).

Intersectoral inequality manifested itself by equal skills and qualifications not being translated into equal earnings, but varying depending on the sector of employment. Perceptions of national need as well as 'normative' decisions based on socialist ideology certainly featured to some degree in the centrally set wage and salary schedules. For example, common to all socialist countries seems to have been the relatively high pay for work in construction - a priority sector due to housing deficits which were to be rectified. Hence, manual workers in this particularly well paid branch may have enjoyed higher average pay than specialists, such as engineering-technical personnel, in sectors of lower priority and reward (Connor, 1979, 223-4).

During the 1980s, as a consequence of wage liberalisation, many branches suffered a marked decline in wages for their manual and routine non-manual workers, while other branches improved their situation, depending on the strength of their domestic or foreign trade position. Where the cost of increased wages could be passed on to the customer due to a strong market position (as was the case in metallurgy, chemicals and food processing), higher wages could be offered than in those industries which used to receive preferential treatment from the government

(such as mining), and now saw the subsidies cancelled. But despite these shifts in the relative average wage of firms, negative effects seemed to have by-passed management, who enjoyed sharp salary rises in almost all branches (Cukor & Kövári, 1991, 186). Their position can be regarded as a continuation of their past privileged situation.

Mention has already been made of how the creation of various incentives to promote economic goals benefitted some groups more than others, and perhaps management in particular. The profit-sharing system as applied in 1968, for example, made distinctions between three groups of employees who were rewarded in accordance to their perceived degree of responsibility for the performance of the firm.

“Enterprise directors and top management, some 0.5-1.0 per cent of the workforce could receive a profit share up to 80 per cent of their salaries. Middle-management and foremen, some 4.5-12 per cent of the workforce, could receive profit shares of up to 50 per cent of their salaries. The remaining 87-95 per-cent of the workforce could receive profit shares of only 15% of their salaries. On the other hand, while this latter group was guaranteed full salaries however poorly the enterprise performed, the former two categories could experience a drop in salary of 15 and 25 per cent respectively if the enterprise made a loss” (Swain, 1992, 105).

Although this very visible distinction between workers and managers was withdrawn in 1969 because of the criticism and dissatisfaction it had caused, this did not change much in the outcome of inequalities between the two groups. Other measures taken at that time still provided the possibility of additional income for management, but in a more disguised way, for example under the heading of bonus or premium, to a degree that it exceeded workers’ earnings to a considerable extent (Swain, 1992, 105; 118).

Senior and middle management could improve their earnings substantially, in particular in the 1980s, with senior management enjoying an average increase of 15% per year and middle management following closely (Cukor & Kövári, 1991, 185). The justification for such increases was mainly the creation of incentives:

“In 1980 senior management earned approximately 150% of the average non-manual wage, a ratio that rose to 400% by 1989. Rising earnings for senior management can be attributed in part to sharply climbing premiums and bonuses as an incentive to increase exports” (Cukor & Kövári, 1991, 185).

The rise of earnings for management at all levels had a knock-on effect for the pay of medium level white collar staff, thereby widening the gap between manual and

non-manual workers. Differentials between middle management and manual workers increased by 40 to 60%, and by 20 to 30% for other medium level staff between 1980 and 1989 (Cukor & Kövári, 1991, 185).

Still, at least in the first decades of socialist Hungary, manual workers often enjoyed privileges in comparison to, and perhaps at the expense of, their white collar colleagues, especially routine clerks and officials of the lower non-manual stratum. This was in tune with the view that socialism inverts the traditional hierarchy by finally positioning skilled manual workers where they deserve to be. The justice of such an arrangement lay in the notion that it is this group of society who is manufacturing products, a type of work to be evaluated more highly than reputedly unproductive jobs done by 'desk-jockeys', who are merely processing paper. This image of socialist societies as workers' states was also emphasised in propaganda and poster art which exalted (skilled, male) manual workers (Connor, 1979, 228; 260; Deacon, 1992b, 3).

It has been shown that earnings dispersion among manual workers was higher in the Soviet-type economies than in many Western countries. Ideologically, their justification could be based on the argument that unequal quality and quantity of work should be rewarded unequally (Redor, 1992, 58; Connor, 1979, 234). Furthermore, inequalities could be linked to the organisation of labour in Soviet-type economies, where payment by results ('according to labour') was common in most sectors of the industry, and where the piece-rate wage system used to be predominant (Redor, 1992, 159, 190). Among manual workers, 'skill' became a crucial determinant of pay in the 1970s, and earnings were sharply differentiated accordingly. The situation remained similar in the 1980s, with skilled male workers earning about 50% more than unskilled workers, while semi-skilled labourers received 25% more (Cukor & Kövári, 1985, 184-5). Other factors which were taken into consideration with the design of wage differentials and bonuses were adverse working conditions, the bearing of responsibility, efficiency in the job, and the moving to industries or areas which were to be expanded (Atkinson & Micklewright, 1992, 76). Considering the systematic inclusion of working conditions in the design of wage scales, it is possible that the high wages in the priority sectors are mainly related to the particular arduous working-conditions in the mining and metal processing industries (Redor, 1992, 166).

1.2.3. *Inequalities by gender*

Generally in socialist countries, a correlation existed between sector earnings and the domination of this sector by one gender rather than the other. Men were disproportionately present in those sectors which received priority in socialist planning, while those dominated by females were likely to be neglected. Out of the whole industrial production, it was only heavy, extractive and metal fabricating industries were regarded as important. They employed large numbers of skilled, predominantly male workers, who were well paid (Connor, 1979, 225-6; Ferge, 1988, 148; Redor, 1992, 86). By contrast, statistical yearbooks testify to the fact that the light industries, which produce goods 'only' for personal consumption such as textiles, clothing and food processing, are 'feminised', and that earnings here are low, maybe reflecting the lower priority which planners attached to such industries (Connor, 1979, 226).

There are clear indicators of discriminatory practices in the area of wages. Redor (1992, 68-70) presents statistics from socialist countries (including 1980 Hungary) which show that in all categories, male earnings exceeded those of females who had comparable qualifications. Identifying individual differences (i.e. formal education, vocational training, seniority and experience) as one explanatory element, he attributes a great part of this difference to discrimination, which is coupled with employment segregation by gender (Redor, 1992, 72, 79)⁵³

Considering that 'working conditions' used to be an important factor in the determination of earnings in socialist societies, a comparison of working conditions of typically male and female occupational groups may be illuminating. A survey carried out in 1980 generated the finding that in terms of physical effort and overtime, male occupational groups compared clearly unfavourably with typically female occupations, and on this basis, received higher rewards (Cukor & Kertesi, 1985, 102). But can women's working conditions be rated more pleasant? There is reason for scepticism. While it may be true that physical effort was a characteristic more frequently found in typically male than female work, other characteristics usually associated with adverse working conditions such as effect of heat, health hazard and danger, were much more dominant in women's areas of work (Cukor & Kertesi, 1985, 103-4).

⁵³ He defines wage discrimination as less pay for an equal level of skill, seniority, and experience (Redor, 1992, 64).

However, the mechanisms used to determine grades of working conditions were disadvantageous for women. Grades were defined in state wage regulations, and the following features were considered: physical effort; the special positions of the body required by the worker; the heat effect; the danger of the work or its potential health hazards. Not only did the determinants on which grades of working conditions were based exclude monotonous working situations, in which females have dominated, but the criteria which were included were not judged to be of equal importance. The regulation rated the joint occurrence of these elements on a scale ranging from 1 to 4, with one indicating the best, and four the worst working environment. While grade 3 could be achieved with considerable physical effort alone, in the case of 'normal' physical effort, the presence of at least three other criteria in combination were required for work to be categorised as grade 3. It is thus not difficult to detect the male bias of this rating system (Cukor & Kertesi, 1985, 104-5).

A similar advantage for male workers' income could be found when 'time' as a component of work is added, and the bonuses it yields included. Whereas male occupational groups were characterised mainly by overtime, female occupations tended to involve shiftwork. But despite women's multishift schedule which generated extra bonuses, this could not counterbalance the opportunities men enjoyed with the combination of overtime and hard work (Cukor & Kertesi, 1985, 107).

In sectors in which women constituted about three quarters of the workforce, there was a lack of jobs which would have demanded high qualifications as well as comprising adverse working conditions - a combination with which male workers tended to maximise their earnings; and there was an absence of career paths, as well as little use of training on the job (Cukor & Kertesi, 1985, 96). At the same time, with the resources being pumped into industrial growth, the service sector, including education and health, generated low rewards (Connor, 1979, 223-4). Connor (1979, 224) argues that

"[h]ere socialist planners have banked, not unsuccessfully, on the relevance of psychic rewards to offset the relatively low compensation of sectors that provide employment for a large body of females of high and medium qualifications."

The suggestion of non-material rewards being recognised in the determination of earnings by the central planners is of interest. However, assumptions like these should certainly have included the 'intelligentsia', whose work can also be regarded

as a vocation, with some intrinsic interest and non-material rewards. Yet, pay in particular for the urban technical intelligentsia was far from symbolic. This is especially true for Hungary, where the pre-socialist tradition was characterised by very pronounced differences in rewards (Connor, 1979, 229; 232). So maybe the occurrence of low pay was less related to considerations of 'intrinsic benefits' of a job taken into account by the central planners when basic wage margins were fixed. More significance can perhaps be attributed to the fact that we are dealing with "sectors that provide employment for a large body of females", where pay is low despite women's medium and high qualifications.

Of course, some of the factors which have been at play here are likely to be shared with capitalist systems, such as resource scarcity in particular sectors, as well as a poor level of technology and skills (Connor, 1979, 223). But this does not change the fact that the condition of women's lower earnings seem to have been well known (Swain, 1992, 194), and yet, it appears that little or no action accompanied this awareness. On the contrary, we have seen that male workers have opposed women's integration into 'their' technologically highly developed occupations, perhaps partly due to aspirations of a 'family wage' and men's role as 'breadwinners' (Chapter 6). We may conclude that the potential levelling force of socialist ideology competed not only with concerns about economic efficiency, but also with patriarchal forces, when assumptions were probably made about men's and women's 'need' for a certain earnings level.

2. Data analysis: grounds of earnings determination in Hungary today

It was at the heart of our interviews to explore attitudes held by management and trade unionists to the factors which they perceived as important in the determination of earnings at their firms, and their views of 'ideal criteria'. However, before turning to our data, some insight should be gained into the relevance of earnings as a proportion of total income in Hungary today. Obviously, earnings received in the formal or informal economy constitute only one possible means of income, and there also exist benefits financed by enterprises or central and local government, helping especially larger families with their increasing living expenses. In the past, relatively generous provisions for families existed, including maternity benefit, child care allowance, child care benefit, child care subsidy, subsidised child rearing leave and family allowance. However, reforms in these

areas are high on the agenda, and substantial changes are expected of “a system which families have taken for granted as reliable and predictable for many decades” (Ministry of Labour, 1995, I 4.3).

We should thus be aware of the fact that in the area of social security, important differences are discernible between the transforming Central and Eastern European societies, and many countries in Western Europe. In the latter, social protection systems have developed over many years, and retained at least some degree of stability. By contrast, comparable schemes in Hungary (and other ex-socialist countries) have been characterised by the lack of deliberate, protective social policies and an ad hoc development. Income from social transfers has fluctuated, and benefits have often experienced frequent changes, sometimes occurring by the month (Berki & Ladó, 1995b, 195; Deacon, 1992c, 168). Social provisions have tended to aim at targeting resources more carefully in the context of restrictions and cuts to the state budget at a time where the need for social welfare has increased dramatically. For example, it has been declared the goal in Hungary to remove state subsidies on rent and mortgages over a three year period, and to replace them by targeted housing or equivalent benefits for those who cannot afford to pay. Those outside the eligible population for such benefits are not only exposed to rocketing rents in the wake of the subsidy withdrawal, but also have to deal with big price rises in general, as well as with rapid inflation (Deacon, 1992c, 168-171).

Another problem with the idea that incomes derived from public sources could be used to fill the gap between wage levels and the subsistence minimum is the fact that benefits have not been inflation proofed. This led to situations in which, for example, child benefits (calculated on constant prices) in 1991 fell below the relevant values of 1988-9 (Szalai & Orosz, 1992, 157). So at a time when all kinds of benefits are shrinking or even fading away altogether, the social function of the minimum wage cannot be overestimated (Berki & Ladó, 1995b, 172). Indeed, the statutory minimum wage was seen as a vital instrument for the protection against poverty in the early 1990s, and was envisaged to have a much greater role than in any Western European country in ensuring that the minimum physical and social needs of the lowest paid and most vulnerable workers would be met (Vaughan-Whitehead, 1995, 25).

However, reality proved to be different. Despite the fact that most countries in the region have either introduced a national minimum wage or maintained it, the allocated social and economic function of it fell short of expectations. Attempts to

contain inflation and constrain the budget resulted in downward pressure on the minimum wage. In Hungary, it fell from 43% of the average wage in 1991 to 33% in 1995, thereby dropping well below the poverty line measured by the official level of subsistence income (Vaughan-Whitehead, 1995, 25-29).⁵⁴ While the minimum level for a basic living standard was estimated by the Central Statistical Office in early 1993 as Ft 14,000 a month *per individual*, the national minimum wage at the same time came only to 8,000 forints, and increased to 9,000 in February 1993 (Vaughan-Whitehead, 1993, 10). In fact, since 1989, the minimum wage has always been below the official subsistence level, and this gap has increased recently. In 1994, the minimum wage amounted to less than 70% of the subsistence minimum (Berki & Ladó, 1995b, 172). Clearly, for a large proportion of the population, for whom the minimum wage did not fulfil the function as a minimum level of subsistence, income from public sources failed to lift them out of poverty. In 1993, the number of those living below the subsistence level was estimated to lie between 2 - 2.2 million, i.e. at roughly one fifth of the population, whereby 17% of those living in economically active households fell into this category (Berki & Ladó, 1995b, 201). Such levels of low pay are violating provisions of International Labour Standards, for example, Convention No 131, which requires that the amount of the minimum wage is guided by the subsistence minimum of workers and their families, as well as by the general wage levels in the country (Vaughan-Whitehead, 1995, 60). Bearing the precarious income situation in Hungary in mind, let us turn to the data analysis of current views on actual or desirable criteria for earnings determination.

Seven broad categories could be discerned to classify opinions. The first category deals with the yardstick of 'equal pay for equal work' against which interviewees measured the adequacy of certain pay levels. The second category involves those justifications of pay-levels which are related to efforts of retaining or attracting labour in the context of the new economy. Thirdly, there are explanations or justifications of earnings levels which seemed to aim at maintaining the status hierarchy. While the fourth and fifth section will deal with criteria which are person-orientated, i.e. the categories of human capital and performance, the sixth aims at shedding light on the various aspects of jobs which interviewees either regarded as earnings increasing factors, or which they dismissed as irrelevant for wage considerations. The seventh and final category concerns new social problems

⁵⁴In addition to this changed relationship between the minimum wage and the average wage, latest data about the average monthly net wage also indicate a decrease in real terms. Taking into account a 25.4% increase in consumer prices, the Central Statistical Office reports that real wages have shrunk by 4.7% over the first seven months of 1996 (Popper, 1996).

arising from absolute and relative wage levels, namely the meeting of needs, as well as perceptions of permissible scopes of pay inequalities. Where a gender dimension can be identified in these seven areas, possible implications for gender inequality in pay will be examined, and a more detailed discussion provided in the Conclusion.

2.1. 'Equal pay for equal work'

Ten interviewees expressed their wish to see equal pay for what was regarded as equal work - a principle which we found to be espoused in Marxist theory as well as in socialist Hungary. This could involve various levels of comparisons, such as the enterprise level. For example, one interviewee judged the technicians' pay as too low because "they don't get as much as technicians in other companies" (TTU). A similar approach was taken by a respondent who was asked to assess the level of management's salaries at his firm, and who said that compared to the salaries in other firms in the country, the pay for management was very low (MTU). More common, however, was the resort to international comparisons, which eight interviewees used. Here, the approach could be wider than only encompassing the 'equal pay for equal work' rationale. Comparisons of living costs were included in two cases.

"In Germany and England, the workers with the same qualifications, doing the same type of work, get four times more than the workers here. This should be the first thing to be put right ... [because] the living costs are very similar." (MTU)

"Here, you can say that managers get an average, compared to European salaries. The problem is that workers get less. Their wages are too low. People are comparing Hungarian wages with European ones, and they say if we got the same as people in Austria, there couldn't be any problems here, because the prices are similar." (MTU)

Favouring higher pay increases for management than for other work groups, the view was advanced that "their higher pay is very normal, and everywhere in the world, it's the same." (TM) Another justification for higher pay increases for managerial workers consisted of the argument that if management was given the same percentage increase as the workers, then at some point, they will get to the same level. "That would not be right. For example abroad, managers get lots of money compared to here." (CTU)

In an attempt to explain low wages in the light industry, the idea was referred to that "everywhere in the world it's like this. These kinds of jobs are not well paid" (CTU) - a statement which was virtually identical with two other remarks (LIE;

MTU) which differed from the above only in the point that generalisations were confined to Europe.

In short, arguments in this category all referred to jobs which despite their location in different environments were assumed to be equal so as to justify equal pay. But the comparison of different firms with regard to their pay levels for certain jobs was also utilised for a different end, for example, when management and unionists saw the need to compete for labour.

2.2. New labour market strategies

Six of the nine interviewees who used market forces in some ways when explaining wage inequalities most frequently referred to efforts made by the firm to attract and keep the best skilled workers, or those with scarce qualification. The guideline for an attractive pay offer thereby consisted of the earnings levels offered by firms. It was generally argued that the new situation of the labour supply side had significantly influenced pay levels. Emphasis could be placed on those workers with high qualifications who were seen to hold a strong bargaining position.

"The trade union wanted an average pay increase, but my opinion is that it is important to increase first of all the salary of those people who are leading the company ."

"Whom do you mean by 'leaders'?"

"The main experts. I must pay them a salary which defends me against the market. After that, I can increase the pay of everyone else. Because if the main experts left the institute, I can't do anything with the company." (MM)

"In the area of mental work negotiations are important on a one to one basis. This does not play a role in physical work, because you can find physical workers easily, and it isn't worth negotiating. But mental workers today, with the labour market operating, they can look for work at another place if we don't offer what they are looking for." (CM)

"In white collar work, it is totally the market which determines the wages. For example, if I want to get an accountant, then I have to pay more than they earned at their previous workplace." (CM)

"We have a new branch in Hungary, which has been set up only one year ago. But already, 30% of our workforce has left because another clothing firm was set up there, which offers better pay." (TTU)

The perceived importance of higher pay for expertise, as expressed in the first two statements, was not a universal phenomenon. Not always was high labour demand related to scarce qualifications. In two cases, attempts to satisfy the labour demand

of a firm were said to have led to unusual pay arrangements, so that in one instance, the pay structure of a firm was characterised as being 'in chaos'. The following possibility was referred to.

"If the firm badly needs somebody, then even if this person has fewer qualifications than somebody else in a different Department, he can get more pay if this will influence his willingness to join the firm." (TTU)

Hence, the perceived need of labour in particular work areas had a greater impact on pay than more conventional views of important criteria, such as qualifications. This seemed also true for a clothing firm of which the two interviewees pointed out that the last pay increase was disproportionately high for manual workers at the expense of management's increase due to the firm's objective of attracting seamstresses of whom the firm was short. Within the group of manual workers it was also emphasised that seamstresses needed relatively high pay on the grounds that, otherwise, they would not want to work for the firm. Here, it is important to note that the 'competition' for manual labour this firm faced did not seem to be so much defined by the wage levels of other firms, but was rather linked to the second economy, and in this special case, to seamstresses working at home. According to the interviewees, seamstresses appeared to be heavily engaged in the second economy, with work for which they obviously neither paid taxes nor social security contributions. For that reason, it was difficult to attract them to the firm, as well as to ask them to work overtime. It is likely that this situation applies to a greater extent to the light than to the heavy industry. The means of production in the form of sewing machines represent a moderate investment possible to make by individuals, but the technology and resources needed for the production of metal goods are unlikely to be in the possession of workers.

While we have seen that some wages were consciously set at levels which were to manipulate certain variables seen to operate in the labour market (e.g. workers' choice of their place of employment), there were two examples where a deviation occurred from this conception of the market, and in which the market was conceived of as a kind of 'hidden hand'. One interviewee characterised the market as a neutral distributor of resources, which he contrasted with previous political decisions about pay levels taken by socialist regimes.

"What's your view of the fact that physical work is paid less now?"

"As a trade unionist, I should say it's no good. But economic laws work independently... They are objective." (MTU)

The other interviewee (TTU) conceived of the market in a more complex way. When asked about the importance he would like to attribute to working conditions in the determination of pay, he referred to his hope that the market would "govern the levels of pay". However, this feeling of 'hope' remained rather ambiguous. On the one hand, his idea of an impersonal ruling over wage levels was associated with the market principle of competition, which the respondent understood to automatically result in fully mobile workers moving to wherever wage offers were highest. On the other hand, he expressed grief about the paralysis trade unions feel when they want to interfere with the market - a situation he mostly ascribed to the power-relationship between unions and management. Hence, his conception of the market now seemed to include the effect of human action. He acknowledged the strong and visible influence of management, and maintained that the unions had lost much power in the recent past. The lack of trade union influence notwithstanding, the interviewee seemed to regard market competition as having the intrinsic tendency of favouring workers due to the perceived option of 'exit' from low-paid jobs. It was for that reason that management was seen to be restrained in an unhindered pursuit of their interests.

Such statements take us back to the context of industrial relations, where trade unionists also described their perceived weak position in general matters. Confined to trade unions' potential influence in the area of wages, the following assertion of a unionist of a metal firm is perhaps most explicit. As opposed to the two previous interviewees, he revealed a very clear idea of management's interests being responsible for earnings distribution, and did not see any neutral and impersonal elements in the new economic system. Being asked what criteria he thought may underlie the current level of management's salaries, he responded

"The fact that they determine their own salaries."

"And on what grounds do they justify those salaries?"

"There are no justifications. They have the power."

Only when the discussion of work groups was widened and occupations included other than management did the interviewee refer to 'qualifications' and 'responsibility' as possible justifications for relatively high pay.

Explanations or justifications for a certain order of earnings levels could also be seen in isolation of perceived market forces, namely when interviewees' concern was about the maintenance of a status hierarchy.

2.3. Status maintenance

We noticed that in several cases expertise and qualifications were regarded as requiring more favourable treatment. This may not only be related to perceptions of employers and unionists that better qualifications *should yield* better pay, but could also be connected to the experts' own assessment of their value. They may know that their skills are scarce, from which a strong bargaining position results, of which they are aware. In addition, there may be the knowledge of the common status hierarchy in other capitalist countries.

What is remarkable here is that, except one manager, it was only trade unionists who strongly advocated the maintenance of a status hierarchy of work groups, or even an increased emphasis on status differences. Out of the six unionists who took this line, one of them did so in a way rather unexpected from a labour representative, who was a technical worker in the firm at the same time:

"In my opinion, middle-management should get higher pay increases than the others this year."

"Why middle management?"

"Because the physical workers have almost reached middle management level of pay, and the higher managers are too far away from middle-management. So that's why."

"Do you think higher management earns too much?"

"No they don't. It's only that middle-management earns too little in comparison."
(MTU)

This apparent lack of clear role identification, which has also been found to exist in our data referring to the nature of industrial relations in Hungary today (Chapter 5), could well be related to experiences in the past. We have seen that under state socialism, management tended to sustain their income position despite changes in the economic climate which seriously affected other people's earnings. Perhaps one effect of management's longstanding privileged position is that the situation is rarely questioned, or even given a normative base. However, there were other opinions voiced by trade unionists which can be seen as more conventional, in particular with regard to the support of well qualified and skilled workers.

"It is hard to put into words, but we agree with the increased inequalities in pay. There aren't any problems with it. But in the past, there were problems, because when the wages were closer, it could happen that a physical worker who had been working for 15 years would get the same money as an engineer, and that's not right. This was a problem in the whole of Eastern Europe. But not so much any more now." (MTU)

"Would you agree with the way workers at this firm are categorised in the collective agreement?"

"Yes, it is good, because it ensures the long term presence of differentials between the well qualified and the less well qualified workers. Because if, on the one hand, the government increases the minimum wage every year, but, on the other hand, nobody increases the earnings of the well qualified workers, then the difference will decrease. So therefore, the categories are good, as the differentials will always be the same." (CTU)

"Have inequalities increased in recent years?"

"Yes, and the differentiation between wages was done purposefully, because we didn't want them to get too close to each other, the wages of the unskilled and those of the more educated ones." (CBTU)

"Used physically heavy work to be better paid than today?"

"Yes, it was better paid. But I am not sure whether this was the right state of affairs, as in the physical field, you could almost get as much as a director of the firm. And the scissors even started to narrow. But now they are widening again." (MM)

While these are only excerpts of the interviews, the common feature visible here seemed to have underlain the entire argument of these interviewees in relation to the work groups they mentioned. None of them offered, for example, qualifications and skills as *justifications* for higher pay; rather, such criteria were used in order to simply categorise types of workers, and this categorisation was then referred to as an explanation in itself. Approaches like these can be regarded as good evidence of the commonly found situation that certain statuses associated with particular jobs are rarely examined for possible justifications, let alone questioned. In this light, differences in status between different work categories can be seen as prescribing inequalities in pay.

Interestingly, this response pattern could change where interviewees were presented with the suggestion of a justification. For example, two interviewees repeatedly insisted on the idea that managerial employees require the highest pay levels in the firm mainly on the basis of the (obviously dependent) criterion that they are managers (TTU; MM). However, when efforts were made to prompt further explanations, and it was asked whether they believed that criteria such as 'qualifications' should make a difference, they both readily accepted this suggestion. Still, it can be argued that their first line of thought centred around the status maintenance idea, with a small chance for self-initiated critical reflections.

Concerning the gender aspect of pay, there seems to have been some continuity in the acceptance of the inequality which existed before the transformation, and which

certainly showed in interviews. The gender dimension of the aim to maintain status differences can be seen to have its roots, for example, in assumptions of what constitutes an adequate income for 'breadwinners', and the respective pay required for 'dependents'. Eight interviewees can be placed in this category. The suspicion of a biased approach to male and female earnings was voiced by the trade unionist of a clothing firm, who suggested that the inequality of pay, which can be found between the light and the heavy industry, originated in the rationale that men are the supporters of the family. While she insisted that at present, she was not so much interested in her husband's earnings, but in her own, she also conceded that in the case of a return to the situation in Hungary where women would stay at home with the family, men's pay would be more important. Obviously, conditions now are still quite removed from this model, as one trade unionist from a metal firm pointed out: "In Hungary, the family with two earners is standard. And who provides for whom is not really a valid question." (MTU, male)

Similar to the espousal of men's and women's traditional roles in the private and the public sphere explored in the previous chapter, here, too, traditional notions were present. The ideal of a 'family wage' -received by men- existed, no matter how far removed from reality. Another female and two male interviewees made clear statements to this effect, for example arguing that, in principle, "[men] are the family supporters. But nowadays in Hungary, and it will perhaps be the same in the future, people can't live just on one wage." (MTU, female).

"It would be a decent thing if a family could solely live on the man's earnings. This doesn't conflict with the idea that a woman could earn just as much. But once there is a hierarchy, and the man should provide for the family, then we have to give him so much. But unfortunately, it's not like that today, and in some cases, it's actually the woman who earns more" (TTU, male).

"Is men's pay more important than women's?"

"In families where there are two or more children, only the man should work, and the man's salary should change into a direction where it would enable him to provide for the family. This should happen. But this is not applicable to those cases where the woman's job is more like a vocation, something which she really enjoys doing, for example, a doctor. If she wants to work for her own satisfaction, that's fine. But if a woman has to get up at six o'clock to go to work for eight hours, just to have enough money for the family, that's undesirable. In Hungary now, in most families, both, men and women work. Both of their salaries are needed to make a living." (MTU, male).

What is noticeable in this last excerpt is the fact that women were given the option of working in the public sphere (in addition to their domestic work?), which was a

choice not granted to men. The breadwinner model remained intact, and different roles were allocated to men and women.

One interviewee recognised that differences in pay were rooted in job segregation, but simultaneously justified inequalities arising from it.

"If they are doing the same job as men, they are paid the same. But they can't always do the same job. And you can't compare the job of a weaver with that of a mechanic. They are different. But it depends. A weaver woman can earn as much as a mechanic, only that she has to work in three shifts, and it is more work." (TM, male)

Two interviewees accounted for the absence of men in certain work areas also by the low earnings which could be found there, and which had rendered it almost impossible to employ men. The branch trade unionist of the metal industry explained that there was also physically 'light work' in the metal industry, and said about the pay there:

"It's very little. Only women work here. Men would not be willing to do it. These women work at an assembly line. There are no men there."

...

"Is there a correlation between the low pay of such jobs, and women working there?"

"Partly. I am saying this as a man. Because to a man, you can't give that little money. He wouldn't work for that little." (MBTU, male)

A similar phenomenon was described by the male unionist of a textile firm who reflected on job segregation at his firm:

"It depends on the machine. There are workshops where there are mainly men working, and there are some where it is the other way round. In the past, they were mostly men. But now the problem is that we can't pay the men enough so that they would come to do the job. There are mainly women who come and work here, about which we are not so happy."

In other words, the problem of low pay for women's work was seen to lie in the fact that it was insufficient to attract men, rather than posing problems for women's efforts of making ends meet, and not doing justice to their work. Hence, the image appeared to comprise the stereotypical situation of women 'adding to' their husband's earnings with their wage.

Whilst inequalities in pay between certain groups continue to be approved of in the following approaches, they differ from those previously discussed in as much as they are immediately justified with explanations, such as those drawing upon the importance of human capital.

2.4. 'Human capital'

There were two approaches to the categorisation of workers on the basis of elements of 'human capital', which were seen to be required for the jobs at question. When the worth of such elements was identified, 'human capital' was either valued in its own right, or due to the purpose it served. An example of the first approach is the attempt to justify higher wages for certain white collar than for physical workers.

"You have to make a difference between the physical workers and the person who is doing mental work, because this person has education, whereas physical workers perhaps didn't study that much, and wages should reflect this."

"Even in the case of a skilled manual worker?"

"Yes. If you have a skilled worker and an accountant, the accountant has to study three or four times as much as the physical worker. It's much more difficult and harder to become an accountant." (CM)

So it seems that this interviewee associated education with difficulties and hardship, and that this was at least part of the reason why she wanted 'education' to be recognised in earnings. However, few interviewees would have seen the intrinsic worth of such 'human capital' elements so clearly. Rather, in most instances, they saw types of work in which such elements were used as inherently more difficult than unskilled jobs, and they conveyed their persuasion that educated people can contribute disproportionately much to a certain goal, so that higher pay for 'human capital' was seen in a functional light.

This interrelates with concerns mentioned before that firms may lose, or may be unable to attract, highly qualified skilled workers if their pay offer can not compete with other firms. Obviously, in order for particular work requirements to be met, firms need workers with suitable skills and qualifications. However, as opposed to the outcome-oriented thinking which applied where firms wanted to adjust to the new labour market forces, we can also encounter views which evaluate skilled and qualified work highly, independent of what the labour market situation seemed to dictate.

2.4.1. *Human capital and work requirements*

Eleven interviewees referred to the level of difficulty particular jobs entailed, and to the idea that the qualifications and skills needed for this demand higher pay. While

interviewees often described what *was* the situation at their firms (rather than what they would have liked it to be), the derogatory wording of some job descriptions gives away an implicit approval of the state of affairs. This is especially visible in the two following examples, which emphasise the characteristics of qualified work: the focus here is on the high degree of difficulty and value intrinsic in the skills and qualifications required for the performance of certain jobs.

“Men who are doing skilled and physically heavy work are better paid than women who don’t have to be trained for anything, but just have to be able to put two pieces together.” (MTU)

“The difficulty of the job is also considered. In some cases, it may be very simple, just a matter of sewing two pieces together. But a dressmaker, for example, she has to do more complicated tasks, like sewing in sleeves. So a dressmaker and a seamstress are two different things. In the first situation, you might pick anyone from the streets. In the case of sewing in sleeves, it takes some time to teach the person. And to make the pattern for a dress, the person has to spend a year at College.” (TBTU)

One interviewee explained the pay arrangements for manual workers at her firm, which was based mainly on the different degrees of skills workers possessed, and with which she showed contentment:

“On what basis are manual workers paid different wages?”

“We have categories here. There is a job which is really simple to do. Someone has to write numbers on different pieces. It doesn’t need any special skills.”

“So the idea is the higher the skill, the higher the earnings?”

“Yes. Provided that the skills will be used in the job, of course.” (CTU)

Apart from skills, three interviewees also emphasised experience and education by means of less derogatory, and quite explicit judgements.

“In this firm, we take particular account of experience as a criterion for pay, because in the work areas where they deal with nuclear equipment, this is really necessary. There are lots of things which can only be done with experience. But even if workers only deal with metal here, then experience matters a lot, too.” (MM)

“What would be your most important criteria in decisions about pay for a particular work group?”

“How difficult the jobs are. For example, if you prepare for the weaving, you don’t need any qualifications, but it’s taught on the job. The next step would be the weaving, then the technicians, who are actually doing physical work. After this come the higher qualified people, who have qualifications in the area of electronics. They had to take one or two exams.” (TM)

“There are certain key-positions that are needed, for example, when a certain kind of telephone centre is installed. Then the person who is a key figure in the installation, of

course, has a different salary than the person who works at an assembly line. ... We always suggest that people with skills and higher education should get more money." (MTU)

Job requirements and the need to pay for corresponding human capital was a line of argument also used where higher pay for mental than for physical workers was advocated. Not surprisingly, education was selected here as the main criterion to justify the proposed hierarchy in earnings, as well as the assumption that mental work was more difficult. In three responses to the question whether, generally, mental workers should earn more than physical workers, the focus was on education, as the following two examples illustrate:

"No, no. It's not that they *should* get more; but the fact that they know more and they completed more schools."

"So qualifications make the difference?"

"Yes. Without knowledge, it would be impossible to do this job." (TTU)

"A seamstress has to concentrate on one particular aspect of her work only, while her supervisor has to see the complexity of certain issues. ... So the first criterion should be the use of one's education, and when you are a seamstress, you only have to do the same function all the time. This is hard, because they use their eyes and the backbone, but the person who works in administration has to check everything, and that's even harder. They have to read laws, and collect information. The seamstresses don't have to collect information. They just come and do their work, without thinking. And they have been in education for less time than administrative workers." (CM)

But there could also be examples where the demands (and results) of a mental job was seen to be less than that of physical work.

"Should people doing mental work always get more than those in manual work?"

"Not necessarily. For example, people who work at the gate and who are writing down who is coming or leaving, they do mental work, too. But it certainly isn't worth as much as the work of a person operating a machine."

"Why is it worth less?"

"Because the physical and the mental requirements are less, and so is their training. And what they produce physically and mentally is less, too." (TBTU)

Inter-industrial pay differentials, too, were explained by the varying degrees of difficulty in the jobs typically performed in certain industries:

"Those who work in the heavy industry earn more than those in textile and clothing, because the former is more complicated. It takes more time to teach a miner than to teach somebody to sew two pieces together." (TBTU)

"The reason for low pay in the light industry is that we don't require really qualified people. And everyone can learn quickly how to sew. It's easy to do." (CTU)

While in all the cases in this section aspects of human capital were assessed against the yardstick of the demands of a job, such an assessment could also take place in the context of performance.

2.4.2. *Human capital and performance*

It is possible that the emphasis on components of 'human capital' in connection with particular jobs to some degree mirrored assumptions about resulting performance and productivity of workers, independent of the position they occupy in a firm. In three cases, interviewees made straight connections to this effect.

"Is it a good idea to get paid on a performance rate?"

"Yes."

"Would you prefer this to an hourly wage?"

"We tried pay by hour, but it couldn't work, because those people who are really experienced, they deserve a higher wage. If they got a fixed hourly wage, then they would not be able to work for higher sums." (CTU)

"Why are some people better at this work than others?"

"They have more skills. It depends on how skilled and how quick you are. If the worker can follow the techniques shown by the supervisor, then she has an advantage, as she can work quicker." (TTU)

In the first case here, experience is associated with higher productivity. The concept of desert is used, which shows explicitly that the interviewee wanted to see experience rewarded by using performance as the main criterion of pay. The argument in the second example is similar. Skills and ability (i.e. to pick up demonstrated techniques) are directly linked with the speed of work. In the third case, we have a combination of (ascribed) attributes to the two sexes and assumptions about their respective performance:

"... [W]omen don't get the same pay as men do for the same job. ... "

"On what grounds exactly do they not get the same pay for the same job?"

"Men are stronger, can work faster and get more done, plus they can stay longer. ... Women have to go home and look after the children. Men have more possibilities. They can earn more." (MM)

However, direct, positive connections made between human capital and performance occurred only few times, and the majority of interviewees who dealt with these two criteria looked at them as two possibly unrelated entities.

2.5. Performance

Even the interviewee quoted last, who associated physical strength with good performance, did not manifest the same degree of optimism when it came to the conceivable link between other formal or ascribed characteristics of workers and their actual performance. Referring to skills and education, rather than to physical strength, he was prepared to see those as separate entities from performance.

“Those get the highest pay who are skilled and who have good qualifications. But it is also important how people work: are they effective or not?” (MM)

In fact, at least nine more interviewees can be said to have taken a rather cautious approach to the potential link between human capital and performance, often discussing the possible gap between the expectations based on workers' qualifications and skills, and their productivity. In these cases, the only determinant which was seen to count in the final analysis was that of performance, as can be seen in these examples.

“If education is one factor in the determination of wages, what other factors should be taken into account?”

“Education, qualifications, experience and performance. Because even if you have the qualifications, you might not be suitable for the job. ... So if somebody has the qualifications, but the productivity in this area is questionable, then you give them less.” (CM)

“Would you like to see larger pay differentials within physical work?”

“Yes!”

“On the basis of qualifications?”

“It's not always the qualification which shows how much people know. It can only be a basis. They have to know their work. So it's not the piece of paper which counts, but how they can do their work.” (TTU)

“I believe in rewarding performance on a wider scale. Qualification shouldn't be the only criterion to take into account. The fact that I have the same qualifications as you doesn't guarantee that we perform the same, so accordingly, there should be different pay. Even if we have both been to university, or learnt the same job, we might perform differently.” (MTU)

As to the context of interviewees' usage of the concept of performance, only one interviewee applied this criterion exclusively to management's pay, eight interviewees mentioned it only in context of physical work, and nine respondents employed it for both, mental and physical work areas. The tendency to look at performance more closely in reference to physical workers may well be linked to the prevalence of piece-rate pay systems here, which can be found in particular in the light industry.

2.5.1. Performance of manual workers

Out of the seventeen interviewees who either judged performance as important in the design of pay levels for physical workers only or for all categories of staff, eleven referred to concepts of 'inspiration' and 'motivation' which such a pay system was deemed to provide. What could have been the rationale behind the focus on this kind of incentive? While in five cases, interviewees' explanations were too limited to allow for an interpretation, the following six cases give quite clear indicators.

Setting incentives for increasing performance can be interpreted as awarding priority to the firm's advantage, and thus as being of utilitarian nature. If there is the feeling that the incentive of pay is required to make people perform in a way in which they would not do otherwise, this could rule out the possible intention of rewarding workers for past activities which deserve compensation. In that respect, 'creating incentives' is future oriented, hoping for high productivity of the firm, rather than being guided by the desire to do justice to past efforts expended by workers.

Explicit examples of this kind of interpretation can be seen in these three statements:

"I like performance pay very much, as it motivates people, and that's in the interest of the firm. Hourly wages aren't motivating, and people wouldn't work as much, so the productivity wouldn't be the same. But if they are paid more, they work more, and the factory is in a better state." (CM)

"Here, performance wages are really the only possibility because of the way the foreign firms work with us, and because of our contract. If somebody did only 50% of a job in an hour, there wouldn't be any increase of profit possible. So the wages can't be fixed. ... If a person got ft 100 per hour, she would work for hours, just to get more money. This would not be profitable. Wage forms other than performance ones would be problematic considering that some people may not work hard enough." (CM)

"The workers need motivation. If people don't get enough money, they don't work."
(TTU)

In all these cases, the profitability of the firm seemed to be at the forefront of concern. The question such statements seem to answer is 'when do people work at maximum efficiency', rather than 'how should a certain worker be rewarded?'

However, the existence of 'incentives' can also have intrinsic benefits for workers if we conceive of such concepts as a component of a job. And certainly many workers (and managers) must have got used to this job aspect during socialist Hungary. Undoubtedly, they would often prefer their jobs to comprise goals of what needs to be accomplished, feeling assurance that their contribution is of importance and is being valued. This interpretation can be said to have been expressed most clearly by the following three interviewees.

"I find performance pay better than hourly pay, as the workers are more motivated. For example, if somebody works more, why shouldn't they get paid more? Those people weaving 2000 metres, why shouldn't they get more than those weaving only 1000 metres? ... They are more industrious, and they have more skills." (TTU)

"Do you like the existence of piece-rate pay in your firm?"

"It is not a bad idea, because those who work more can get more. I don't agree with the idea that the weaker and the stronger, more effective people get the same money, not to mention laziness. They shouldn't get the same. We are not the same. One of us is more diligent, and the other one is lazier, or somebody is better at certain jobs." (MTU)

"Is it a good idea to pay workers according to their performance?"

"My experiences are positive, and workers wouldn't be happy about the same wages. It was not good here. We used to get wages based on the performance of a whole group of workers, but if I work really well, and I am busy and I like it, then I would feel I would work for you, because we both get the same money, although you pace yourself and think 'ok, this rhythm is good for me'. And still, you would get the same money. We didn't like this. Now, the wages aren't predetermined. You can get 160%, so everyone can work and get the money according to their ability." (CTU)

In contrast to the common pattern of advocating piece-rate pay, which is a pay system with a long tradition in the productive sector, two trade unionists (TBTU; CTU) argued against it, although one of them was in favour of pay according to performance as a basis for management's pay. The reason for his rejection of piece-rate pay was his assumption that employers can manipulate the norm to an extent to which workers may end up with less than even the minimum wage. Moreover, he asserted that workers' productivity usually revolved around 95-110%, so that it was nonsensical to spend much time and resources measuring it. Hence he

preferred skills, education and working conditions as the decisive criteria for earnings determination.

His scepticism of piece-rate pay was shared by a trade unionist, who also pointed to the administrative difficulties arising from this kind of payment method. She found the existence of a norm for piece-rate pay a dubious arrangement, not least due to the fact that the different types of fabric with which the seamstresses had to work caused difficulties in deciding on comparable norms. In addition to this, she pointed to the problem that good performance needed time, as first of all, techniques had to be developed to maximise the working speed. But because of the new market situation where extremely large orders for one type of dress from firms in the former Soviet Union had been replaced by very small numbers of particular types of clothing ordered by some private firms, good performance had become more difficult for workers. The interviewee therefore voiced reservations about the kind of piece-rate system she worked with, but did not reject performance pay as such. While she argued in favour of a fixed wage, she also added that the workers still liked something to inspire them, and that they would not be happy with the same wage for different results of work.

So despite the different points made, both trade unionists showed concern about the interests of the workers when opposing (a certain kind of) performance pay. This was mainly based on the argument that the setting of a norm could involve much arbitrariness. The only other interviewee voicing disagreement with such a system, a manager of a textile firm, favoured an hourly pay system for reasons related to the firm's objectives. She explained:

"In textile and clothing, piece-rate pay is very frequent. But here, people are paid by the hour. Today, the quality is more important than the quantity. And if we introduced a norm, then people won't produce quality." (TM)

Therefore, piece-rate pay was rejected on the grounds that it would foster a kind of performance not necessarily desirable in the light of the aims of the firm. In fact, concern with the quality of the production was expressed also by six other firms, and was often related to the loss of Eastern European markets, and attempts to gain markets in Western Europe, where higher quality products were expected.

2.5.2. *Performance of management*

In at least six of the ten cases which included performance as an important criterion for management's pay, it was clearly associated with the profitability and the competitiveness of the firm - criteria which we noticed to be of crucial importance for earnings in the socialist economy. This can be illustrated with the following examples, in which the value of management's performance for the firm is assessed in relation to the firm's benefit.

"Management's higher pay is justified if their qualifications and skills are used to bring profit to the firm, but is not justified if they don't. I find even a ft 100.000 salary too much for somebody who cannot wrestle with his task. So what makes me happy is not when the salary of the manager is ten times higher, and the firm is going bankrupt, but when the firm is performing well. And it's only secondary how much the manager earns in the latter case." (TBTU)

"The pay of jobs depends on the qualifications of the person, the results of their work, and whether they can work on their own. These things are important. ... Management could get ten times as much as they get now, but the precondition is that they develop the whole firm." (MTU)

Statements which stress the profitability of the firm should also be placed in the wider economic context. It is likely that concern expressed about the survival of firms is particularly pertinent to Hungary, where much of the industry is in an extremely precarious situation so that the securing of the mere existence of a firm can easily take priority over other possible aims. Economic conditions could be especially difficult for the light industry. Firms here did not only lose much of their former market after the transformation, but are also especially affected by the informal economy in Hungary. In addition, there is competition from East of the Hungarian border, where workforce and technology are of a similar standard, but where production is still cheaper than in Hungary.

All these considerations notwithstanding, there were two clear instances where the work process, rather than the outcome, was focused upon. Here, interviewees took the actual personal investment into account, which the notion of 'performance' also suggests.

"If you compare the performance of the manager in a textile firm to that of managers in other firms, then you should see that in order to produce the same profit in the textile industry, the manager probably has to be much more vigilant, and even more prepared to do his job than managers of a firm where profit comes almost naturally. Think about crisis managers whose salaries are much higher than those of an ordinary manager, because they have to perform in a crisis, which demands much more work." (TBTU)

"Should management be better paid than other work-groups?"

“Yes. Because of the qualifications, talent, and responsibility. And the work intensity. They can’t work according to the clock, but certain things must get done, no matter how long they take. They need to show productivity; the only goal should be to show results of their work. A simple physical worker just comes in, finishes his work in eight hours, then goes home, and has responsibility only for his own work.” (TM)

In other words, the degree of work intensity was offered by interviewees as a distinctive feature of managerial work which was deemed necessary for successful performance. The need to be highly committed to the job, as well as to work long and unpredictable hours, was seen as demanding higher pay in return.

Discussing the importance of factors such as human capital or individual performance means focusing on the characteristics of workers only, and assessing in how far their personal traits could have influenced earnings. Other important criteria which were named as influential for wage levels were related to the different features which can be associated with different jobs. To what extent did interviewees include certain aspects of work in their considerations of earnings?

2.6. Aspects of work: compensating for working conditions

2.6.1. Management’s work: the aspect of responsibility

The main aspect interviewees discussed in relation to management’s work was that of responsibility. In fact, apart from one case,⁵⁵ the element of ‘responsibility’ was always evoked in the context of management’s work. About three quarter of the interviewees resorted to this concept when trying to justify salaries. While the degree of emphasis given to responsibility varied, in six cases, it was taken to be the exclusive determinant of management’s pay. Here, interviewees stressed particularly the perceived *scale* of responsibility, for example, measured by the number of employees management was in charge of, or by the relative size of the area the manager was seen to be ‘responsible for’.

“What are the factors which determine the relatively high salaries of management?”

“Responsibility and the job itself determine the salary. When a man is responsible for his own job, and somebody else is responsible for thousands of men, or for very expensive machines, or a person is responsible for the smooth running of a whole firm,

⁵⁵Here, one interviewee presented the case for relatively high pay for a porter in the firm in Budapest, whose work was described as comprising more responsibilities than that of the porter in a branch of the firm in the countryside. (MM)

or for making it profitable, then those with more responsibility should get more.” (BTTU)

“There are categories of responsibility. ... Let’s take a storehouse manager, who is in the middle-manager category. He is responsible for a whole storehouse, and this entails a certain pay level, because he has to be paid for taking the responsibility for managing a storehouse which has the value of ft one million.” (MTU)

“For example, responsibility plays a lot of a role in pay. Those who work in the technical management, their responsibility is really big, because here, they produce buses, which are out in the streets, carrying people, and if there is an accident, the responsibility is really big. The responsibility of the commercial director is really big, too, because he has to look for markets, if they want to be profitable.” (CM)

Related to this, new forms of responsibility, which stemmed from the transformation of the economic system or from recent changes at firm level, were taken into account, like in these cases.

“[T]here is a great amount of new responsibilities. Quite different from the past. In the socialist area, responsibility was not serious. ... Under socialism, when there was no money for salaries, the Director went to the Ministry and told them that there are some problems with the economical situation of the company, and he could get money from the Ministry. Now, this is impossible.” (MM)

“What categories had the highest pay increase?”

“When we started the new firm, most people here got a 20% pay increase of their salaries. But where, for example, some jobs were merged, so that somebody had to take on new responsibilities, then those people got a higher increase than 20%.” (MTU)

In most of these instances, burdensome variables seemed to have been regarded as intrinsic to the element of responsibility, and higher pay, was advocated on this ground.

“Why is management relatively well paid?”

“One word: Responsibility! It’s prison. ... All managers are responsible for their workers, the production, and most importantly, the quality. It’s a really big responsibility. Even our small production line here produces 250 lady’s jackets per day. And if the quality of, say, 200 pieces will not be ok, then it means a lot of money. Someone is responsible for that. Mainly and most of all the production manager.” (CM)

Alternatively, the nature of the element inherent in responsibility which demanded higher pay, remained unexplained, and could have been related to several factors, including the troublesome nature of the task, or the possession of human capital.

“Inequalities will always exist, because I [a technician] simply can’t have the same payment as a manager, because of the responsibility. Even under Communism, this was the reason why they had to pay management more than others.” (TTU)

However, the simple bearing of responsibility in itself may not have been enough for the concession of relatively high pay levels. The very concept of 'responsibility' suggests a certain link with performance. Similar to physical workers who are expected to fulfil the tasks which lie within their area of responsibility as a precondition for the reception of an agreed upon remuneration, management was subject to this kind of expectation. The fulfilment of their responsibilities was described as being the main aspect of managerial work, partly due to the fact that the outcome of their (in)action could have results of a scale quite different from manual workers' activities. Thoughts like these have perhaps underpinned the statements of the last interviewees quoted, even if the direct connection between responsibility and performance, which is made in the following example, was lacking.

"The reason why the top pay for the top head of a firm is twenty times that of others is not just purely because he is the top head and full stop. It's because as the top head of the firm, they perform as can be reasonably expected from somebody in this position."
(TBTU)

Management's responsibility was also assessed together with their education. Six interviewees named these two criteria as most important for management's pay. In fact, a trade unionist (MTU), who attributed much significance to responsibility and qualification, made clear at the same time that performance was a dubious criterion for pay. Describing the tasks of managers, she partly released them from responsibility in connection with performance by arguing that "to make profit, that's part of his job, but it does not only depend on him, but on the market situation." This attitude of unionists towards management has been characterised before (Chapter 5) as one which might have aimed at transferring potential issues of conflict between management and unions outside the sphere of industrial relations.

In two other of the six cases, an explicit link was made between the combination of responsibility and education, and the benefit which resulted from this for the firm. A manager declared the criterion of responsibility to be of greatest importance in pay determination, followed by qualification "because without these two things, we can't develop our equipment". (MM) Another management representative seemed to suggest that a certain level of earnings was needed to attract suitable candidates. Relatively high earnings were seen to be in order not so much to compete for well qualified staff with other firms, but to generally create the willingness to assume the level of responsibility demanded (CM). And in the remaining three cases, education

and responsibility were emphasised as vital for managers to possess, but no further elaboration was made on this choice of criteria.

Lastly on the features of management's work which were regarded as important by interviewees, there is the case of an interviewee (CM) who pointed to the different degrees of effort which she associated with mental and physical work. She asserted that mental work was more exhausting than physical work since "the brain gets exhausted quicker than the body", and that more pay was due for that reason.

2.6.2. Physical work: noise, monotony and 'light work'

In terms of physical work, the main area identified by nineteen interviewees as important in their discussion of pay for physical work was that of 'working conditions'. Only in one case was it the opinion of an interviewee, a trade unionist, that working conditions should not make a difference for earnings considerations, and in three cases, interviewees voiced reservations in so far as they believed other criteria than working conditions should play a more important role.

There were particularly four factors which were discussed most frequently by interviewees in the light industry: physically heavy work, monotony, noise and the requirement to stand during the performance of the job.⁵⁶ The existence of a high level of noise at a workplace can be said to have been the least controversial component meriting higher pay. Noise in the light industry was associated with the process of plaiting, embroidery and weaving, which are all tasks mainly or exclusively performed by women. As one manager from a textile firm explained: "People who are doing the plaiting are affected by the noise. The decibel should be 70, but it's 90 here, so we have to pay more." Only one trade unionist of the metal industry, referred to the factor of noise, saying that at his firm, the noise level could reach eighty decibel in work areas mainly occupied by men, and that this would reflect in their wages. The fact that interviewees were aware of the legal provisions for a noisy work environment may explain to some extent why higher pay here was agreed upon so easily.

The idea of compensating for work which can be characterised by monotony received a wider range of responses. Out of the three interviewees from the metal

⁵⁶The first two criteria were discussed six times each, the last two ones three times each, with some of the eleven interviewees in this group quoting two of these criteria at a time.

industry who elaborated on this issue, one interviewee (MM) argued that he did not see the need for extra pay resulting from this characteristic of work, since the people engaging in this kind of work "are just trained on the job. So they don't have any qualifications." Obviously, because 'qualifications' were of paramount concern to him, the interviewee rejected the contemplation of monotony constituting part of the wage packet. Other interviewees took a more cautious approach. An interesting pattern which applied to three interviewees comprised two stages: interviewees associated certain types of work at their firms with the concept of monotony, but only when faced with the question of whether monotonous work should be acknowledged in pay did they either qualify their previous statements, arguing that the work they had mentioned was not *that* monotonous, or evaded the pay question altogether.

"Is there also work here which you would consider light?"

"Lighter."

"Can this be quite monotonous work?"

"Yes."

"Should this factor play a similar role in pay to characteristics like 'heavy work'?"

"The monotony of the work isn't too bad. If I understand your question right, it's not like an assembly line. What I consider as monotonous is the seamstress's work, who is doing the same movements all day."

"Should such monotony be rewarded in more pay?"

"I hope that the market itself will govern the level of pay." (TTU)

So it seemed that the interviewee associated 'monotony' first and foremost with assembly line work, and sewing, although monotonous, compared favourably with it. He was not inclined to put monotonous work en par with physically heavy work, where prior to his comment on monotony, he had vigorously defended the view that such work ought to yield relatively high pay. Perhaps his acknowledgement of the adversities intrinsic in heavy work was the reason for his caution concerning monotonous work, as monotony tends to accompany jobs which are perceived as physically light. Two trade unionists voiced the following very moderate opinions concerning the remuneration of the feature monotony, whereby the first interviewee who is cited also made the connection between monotonous work and the assembly line:

"Do you think that some types of work at this firm can be characterised as being monotonous?"

"There are monotonous jobs in almost all work areas here, because we produce more than one piece of a product."

"Are these jobs still classified as 'normal conditions'?"

"Yes. But it's not that you are sitting at an assembly line, and you are putting some screws in. But we are producing something like fifty pieces of one product, and somebody has to do just one kind of job, like some sequence of action for fifty times. So it's not that monotonous. For example, they are putting a watch together, so somebody has to put in the hands, somebody else the strap, and they have fifty watches to do together. And then, when they do it next time, they will swap the areas of work. This is not only to avoid monotony, but to have people who are able to do all types of jobs required here." (MTU)

"Would you know of some work here which you would classify as monotonous?"

"Yes. Packing. It's usually done by women."

"Would that be a criterion taken into account for pay, similar to physically heavy work?"

"They don't get any extra because of the monotony."

"Would it be a good idea to include monotony into harder working conditions?"

"Their work is not that monotonous, just a little bit. But there are changes in it, too." (TTU)

What is noticeable in these two examples are the different intentions behind the idea of varying job tasks. In the latter example, "changes" in the work routine were brought up to explain the level of monotony, and perhaps to justify the exclusion of the criterion monotony from pay determination. By contrast, the first quote indicated that the changes in routine jobs had deliberately been introduced, part of the reason being to reduce the monotony of the job. In other words, here, the interviewees appeared to interpret this arrangement as a non-pecuniary way of compensating for unpleasant aspects of work.

Considering that the recognition of the feature of monotony in work could have been used to argue a case for special compensation, similar to the widely used and long standing practice of paying extra for physically heavy work, one may have expected trade unionists to be more congenial to this idea. However, the fact that trade unionists were so easily ready to dismiss the idea of higher pay for monotonous work certainly fits into the picture of their emphasis on 'human capital', and on what is generally regarded as 'skilled' work. Despite this, the

clearest advocacy for the recognition of monotonous work in terms of pay was made by a labour representative, a branch trade unionist of the metal industry, who was the only member of this industry to explicitly favour the inclusion of monotony in pay:

"Is there 'physically light' work in this branch, too?"

"There is light work, but it's monotonous."

"And what's pay like here?"

"Very small. Only women work here. Men would not be willing to do it. These women work at an assembly line. There are no men there."

"Would you like to see this type of work better paid?"

"Yes. Especially since it's so monotonous, and it can't be done for longer than ten years. The work at the assembly line also exists in car manufacturing. This work is monotonous, too, but what makes it a bit more interesting is that after two months, they change work places. But just imagine. For a month, you would only put in the lights or the windscreen. And there are no robots working there, but the people who work there, they are robots." (MBTU)

Similar to the first two quotes in this section when monotony was mainly associated with assembly line work, this was also the kind of work the unionist now named as monotonous.

Another interviewee, a manager of a clothing firm, wished for monotony to play a role in wage determination. However, this case differed from the others in so far as here, the higher pay was obviously less related to compensatory concerns, but rather seen in the context of its utility to the firm, which had experienced difficulties in the recruitment of seamstresses.

"Would you like to see other factors included in the category Normal II [which comprises harder working conditions], such as monotony?"

"Almost all the jobs are monotonous, because they are divided into very small parts, and people have to do the same again and again. This is true for most jobs. But monotony is not taken into consideration."

"Should it be?"

"Yes, the reason why people don't come to work here maybe because of the monotony of the jobs. Maybe it's more exciting to be, say, a saleswoman."

2.6.3. *Physically demanding work*

The ten interviewees who expressed the belief that physically heavy work required higher remuneration were evenly split between the light industry and the metal industry. Out of the five interviewees in metal firms subscribing to this view, two expanded on this topic with reference to women's pay. Let us first reconsider the statement of one metal firm unionist, which we have already looked at in the context of 'human capital'.

"Men who are doing skilled and physically heavy work are better paid than women who don't have to study anything, but just to be able to put two pieces together. So wage lists show that, on average, men's pay is higher, because what men are doing, women aren't able to do."

While the interviewee referred to the skills required by men for their skilled jobs, as well as to the working conditions these jobs entail, the example of women's work he selected highlights only the 'skills' required - in unskilled jobs. In other words, while there is this imbalance in the selection of jobs already in terms of their skill requirement, no comment is made about the likely working conditions we may find in the type of job he chose when describing (typically?) female work, and the interviewee seemed to be unprepared or unable to think about the special working conditions in which women often find themselves:

"Men do physically heavy work. For example, everywhere in the world, men work in mines, and women work in the clothing industry. "

"Do you think there are certain working conditions in the clothing industry, too, which should reflect in pay levels, similar to the physically heavy work in mining?"

"Everywhere in the world it's like this. This kind of job is not paid very well."

Notwithstanding the interviewee's announcement earlier in the interview that skills and qualifications are most important in pay considerations, he was willing to attribute some role to physically heavy work, which he associated with men only. His omission of those working conditions which women mainly face may reflect the quite common assumption that women are suitable for physically light work, from which the inverse conclusion can easily be drawn that women's work is light work (Krell, 1984, 76).

A management representative from a different metal firm similarly stressed physically heavy work as the most relevant criterion for pay considerations.

"Is physically heavy work better paid?"

“Yes! For example, the worker who fixes wheels. This takes a lot of energy and physical power. It could not be done by a woman. In fact, in this firm, it’s mainly physically heavy work which is done. Maybe women who work on computers at other firms can get the same pay as men here who are doing physically heavy work. But, of course, for welding work, women get the same pay as men. This kind of work is also done by women, but it’s difficult for them to deal with the gas resulting from the welding. It ruins their health. And heavy lifting, too, is much harder for them.”

Again, the pattern is to classify women as unable to do some of the physically heavy work men do, and the described unhealthy environment resulting from welding is seen to affect women more detrimentally than men. However, by contrast to his trade unionist counterpart, this interviewee chose qualified female work (a job demanding computer literacy) as a parallel to well paid male jobs, when women allegedly can earn the same amount as men do. This parallel already compromises the quite common view referred to in the sections 1., 2., and 4. that (qualified) mental work should be more highly evaluated than (skilled) physical work. Furthermore, the general conclusion here seems to be the same as in the case above: conditions of typically women’s work are not to be included in wage determination.

The situation appears to have been different in firms of the light industry, where interviewees never questioned women’s ability to perform heavy work. Perhaps part of the explanation for the different evaluation of women’s abilities here is the fact that in clothing and textile firms, women’s physically heavy work is relied upon. Weaving and cutting in particular were described as being very heavy tasks to perform, the latter due to the fact that large rolls of fabric have to be lifted from the floor on to the table, where the material is then being cut. In most cases, such work was performed by women, although in one clothing firm some male workers from Transylvania also occupied such positions. This situation was described by the trade unionist as a new phenomenon, which had taken place “although women’s hands are more used to this kind of work”. Work, which despite its heaviness, also demands precision.

It is intriguing to note that in these five cases of the light industry, physically heavy work was emphasised as ‘deserving’ higher remuneration whereas at the same time, most other aspects associated with women’s work in this industry were judged to be marginal. It was here where the manager of a clothing firm contrasted job components like “standing all day, and lifting heavy materials and the iron” with the supposedly comfortable job of “sitting and sewing”. And similar to the issue discussed in the previous section, another representative from a clothing firm

declared it was difficult to define the concept of monotony, but that she believed that work at her firm was not monotonous. It was also one of the five interviewees who initially characterised the 'lighter' work at his firm as 'monotonous', and then somewhat revised his decision when the context of discussion was 'pay', arguing that monotony existed only to a low degree. In another instance, a manager of a clothing firm categorically excluded all elements of working conditions from the possibility of entering wage considerations, other than dangerous and heavy work.

Perhaps most indicative, one trade unionist from a clothing firm described in detail the physically heavy work involved in cutting the pattern of a clothing item, and explained that it was considered adverse working conditions. By contrast, although she characterised sewing as straining as well as exhausting to the eyes, she seemed to agree with its classification as 'normal working conditions'. This attitude can perhaps be better understood when we examine her remarks about the relatively low paid work of gluing. At the firm, there was a room in which material was glued together, causing an unpleasant smell which emanated from the machine used for this purpose. The unionist still seemed to think that relatively poor earnings were acceptable.

"It's not that bad. It always depends on the kind of glue they use. The workers are also allowed to leave the room more frequently than the seamstresses, and they get drinks, because it can get quite hot. It's not bad for your health, just uncomfortable. It's like at home when you do the ironing and it's hot."

We could look at provisions such as more frequent breaks and the availability of drinks as minimum concessions which are required in order to expect the possibly best performance of workers - a functional view; or they could be interpreted as another example of efforts undertaken to balance by non-pecuniary means the disadvantages certain workers experience - attending to the perceived compensatory aspect of such concessions.

Perhaps more important for our purposes is the comparison between paid jobs and work performed in the domestic sphere, a comparison which has often been used to the effect that women's work is attributed little value, even by women themselves. Where women have been expected to perform certain tasks for their families, and are seen to do the same (even if at a larger scale) in the public domain, then nothing appears remarkable about it, and nothing worth special compensation. Often, such arguments have been advanced in relation to typically female skills (Lewenhak, 1992, 130), such as sewing and caring, which tend to receive poor evaluation due to the idea that they represent little more than extended housework competence. We

have now seen that a similar rationale can apply to working conditions. Rather than recognising that ironing, as well as sewing, can be physically demanding parts of housework, especially when done in certain conditions, there was the tendency to pay little tribute to work which is carried out in the public sphere, and considered comparable to domestic work in some ways. Where the hardship of women's work was recognised, the suggestions of 'compensation' by three interviewees merit particular attention.

"Do you think that the working conditions usually associated with weaving, for example standing and noise, should be rewarded in pay?"

"It's for this reason that the weaver woman has the entitlement to retire at the age of 48." (TTU)

"People say that in the light industry, the wages are light. Do you think that the work is light here, too?"

"Most people here work as seamstresses. ... The peculiarity of this work is that women use their eyes and their backbone very much, because they have to lean over the table. This leads to the fact that many women can retire before the age of 48, because they are ill. They can draw a special pension for disabled people then. It's a hard job, sewing." (CM)

So in both cases early retirement was referred to either as 'compensation' for strenuous work offered to female workers in the 'light industry', or as a 'solution' to the problem of unhealthy working conditions. But none of these aspects of work prompted the interviewees to suggest the need for preventative means of dealing with these health risks, or for higher pay levels.

In another instance, the difficulties intrinsic in the work of sewing identified by the interviewee were given little significance in relation to financial rewards, partly because some other types of work with which sewing was compared were judged to be physically more difficult to manage. The work of, for example, the cutter and presser seemed to put that of the seamstress into a perspective in which it appeared less uncomfortable than it may have looked when judged by its own terms.

"Those who are doing the cutting and pressing work in disadvantageous working conditions, even worse than the seamstresses. They are classified under 'adverse working conditions', because they are standing all day, lifting heavy things." (TBTU)

Again, while having recognised the burdensome aspects of different types of work in the 'light industry', the interviewee presented the possibility of early retirement as a benefit which was gained through negotiations.

“What is not considered in the light industry is the fact that because of having to sit all day, because of the monotony and the noise they have in the room, the workplaces here may be worse than others. We take such factors into consideration, but that’s not enough. Government and employers have to consider it, too. The light industry is not really light. And this is shown by the fact that in negotiations, we managed to reach an agreement that women in the light industry can retire earlier. There are women who work in the textile industry from the age of 14, then, because of the conditions, their health deteriorates to a level where they can get retired at 48, not at 55.”

2.6.4. *Time patterns of work*

Another aspect of work to which nine interviewees attended was that of the time dimension. Strong opinions existed especially amongst five trade unionists about the acceptable rate of compensation for overtime and shift work, which were described as important issues in collective bargaining:

“Management wanted to lower the overtime-rate at this firm, but the trade union said that work power has its price, in particular work beyond the standard requirements. So whatever happens, they should be paid. And the same applies to shift work. Again, management wanted to lower the money to 40%, but the union didn’t accept it, so today, we get the money we got in the past.” (MTU)

It was also declared that “we are proud that, after a long fight with management, we have achieved a 40% bonus for certain shifts.” In two other descriptions overtime pay was rated as one of the most controversial or important questions in the negotiation of the collective agreements, which then resulted in payments at the firms above those stipulated by the Labour Code (CTU; TTU). In another case, the arrangements for overtime pay at a firm were found to be satisfactory for physical workers, but the wish was expressed for these provisions to be extended to white collar employees (MTU).⁵⁷

The ambition to achieve overtime pay for this group can be seen in several lights: first, we may want to connect this statement with the issue of need. Since basic pay especially for routine clerical workers could frequently be at a similar level to that of poorly paid physical workers, the trade unionist could have aimed at creating possibilities also for white collar staff to improve their pay and get closer to the subsistence level. Second, the stated aim could be interpreted as an attempt to

⁵⁷Only in the case of a small private firm, which had been established in this form in the early ‘80s already, overtime work was not paid any extra, which obviously met with some dissatisfaction of workers: “Do they get paid overtime when they work more than eight hours a day?”
“The notion of overtime doesn’t exist here. It’s really hard for those who worked for State firms in the past. It’s hard for them getting used to not being paid overtime.” (CM)

maintain the status differentials between physical and mental workers, which may have narrowed due to the possibility of bonuses for physical workers which are not available to (routine) mental workers. And thirdly, the interviewee might have seen work over and above the standard of eight hours as constituting a similar burden for both work groups, so that she perceived it as a matter of treating like cases alike, and thus of rewarding both work groups similarly for similar efforts. Generally, the burdens accompanying shifts or overtime were certainly recognised. For example, the fact that weaving was organised in three shifts was provided as one of the main reasons why it could be classified as a difficult job (TM). But special rewards for the time factor in employment, i.e. for the demand of flexibility which shift and overtime work implies, can also have been intended to function as an incentive for workers to comply with the perceived requirements of a firm.

“Some people may not get a pay increase next time.”

“Why not?”

“There could be several reasons. If ... they don't want to work flexibly. For example, sometimes, parts of buses arrive late from foreign countries, and then workers have to stay late. But some don't want to do this.” (MM)

Interestingly, this was described as a problem relevant to male workers, because “women work mainly in administration. Or women do light work, and we wouldn't expect a mother to stay on anyway.” At the same time, the manager of the firm conceded that, due to their child care responsibilities, women took home less pay than men, as their working hours were strictly defined by the child care arrangements. This picture was added to by the trade unionist of the firm, who argued:

“There are various reasons why women take home less pay than men. For example, they can't work at night, or because they have a family and stay at home with the children, or they can't be counted on as much as men. It's especially the extra money of the shifts, which causes these differences, because women who have families, they can't work at night. And because men can work at night, too, this makes a lot of difference, although they do the same things. So if a woman works in the morning, and does the same work as a man who works at night, then, obviously, he gets more.” (MTU)

It can be said that concerns about the needs of manual workers featured implicitly in discussions of certain time patterns of work, as can be demonstrated with the case of a clothing firm manager who commented that those workers who are unsuccessful in reaching the norm usually choose to stay on in the afternoon. The fact that the earnings levels for seamstresses in this firm were below the official subsistence level even when the norm was met suggests that these workers had to

ensure they were at least reaching the norm, and the firm provided them with this possibility. Similarly, concern about the situation of earnings falling short of living costs could also have been behind the words of the branch unionist of the metal industry, who deplored the fact that the basic wages were not very high, and then added quickly "but the workers can get some extra, for example, for certain shifts." There is also the example of the trade unionist of a clothing firm, who referred to the overtime people were prepared to do, because they badly needed the extra money. But even high bonuses may not have brought earnings to a satisfactory level. A labour representative from the textile industry stated that the sad thing for him was that even with the relatively good bonuses the workers got for overtime or shift work, their wages were still very low. The suggestion by a respondent that people would just take on 'an extra job' to be able to meet their needs is therefore not surprising. The question arises what significance was attributed to the possible function of earnings to meet needs.

2.7. New social problems: needs and inequality

2.7.1. Needs

Investigating the role the concept of need could have played for our interviewees in the determination of wages, the following statements by the branch trade unionist from the textile industry are indicative.

"Are people's needs an issue in wage negotiations with employers?"

"I could almost say that this plays no role at all. When we negotiated these matters at the national level, we said that people should have a minimum wage which enables them to make a living. The result of the ft 10.500 minimum wage was a compromise then. It's below subsistence level. The employers wanted to give less, ft 10.000, and the unions pushed for 12.000. This was at the beginning of 1994."

In fact, out of the eighteen interviewees who commented on the topic of needs and earnings, fifteen explicitly stated that earnings were not enough to make a living. Of these fifteen, twelve interviewees related this statement directly to the situation at their own firm, while two managers talked about the Hungarian situation in general.

It is worthwhile specifying that seven members of the group of fifteen were management representatives, many of whom genuinely seemed to deplore the fact that pay at their firm lagged behind the rapidly increasing living costs. Three

managers described their powerlessness in this matter due to the economic situation of their firm, and their efforts to pay the maximum amount possible. For example, after having described in detail the difficulties which had arisen to the firm due to the loss of markets in other Eastern European countries, one manager gave the following assurance:

"I totally understand that the average level of earnings is not enough considering the prices in the shops nowadays. But I can't do anything against this, if we don't have enough purchase." (MM)

And he somewhat reiterated later:

"In my view, the situation is not good at the moment, because I would like everyone to earn much more. Because I understand that we have to live, and that's very difficult today. But I can't do what I would like to do, because we have no money."

Another management representative (TM) talked about her priority of awarding the highest pay increases to those who were furthest behind (i.e. the physical workers), and who needed higher pay most urgently in order to meet the basic living costs. However, this interviewee's concern about the social effects of wages in terms of meeting workers' needs could also have been related to the perceived connection between workers' welfare and their quality of work, as she added:

"We can't work peacefully here, because I feel that the average income of ft 30.000 at this firm is not enough for people to live on. If they don't get more, then the whole working process could suffer. ... The fact that life has become so difficult for the workers is not good for their work."

While this was the only direct link made between workers' needs and possible effects on the firm, such a rationale may also have played some role in the other cases mentioned above. There was only one interviewee, the manager of a privatised firm, who showed little, if any, concern with the situation of the employees at his company by responding defensively that it could not be the company's task to find out whether workers can make a living, or not, and what their needs may be. His only concern in this respect was to ensure that the earnings at their firm were above the average of the industry - perhaps partly to attract the best qualified labour.

The inability professed by managers to pay at a level closer to the living expenses in Hungary met with understanding by the trade unionist of the textile branch. He argued that neither trade unions nor employers had much influence on the wage levels, as earnings were mainly determined by the conditions of the Hungarian economy, and by the fact that much of their market had been lost in the recent past.

Concerning the textile industry in particular, financial problems here were explained as having accumulated over the last ten years, so that the firms now did not have much scope of manoeuvre. Due to the firms' debts, no credits from banks were made available. Reporting back on the main issues raised in bilateral wage negotiations between the trade union and employers, he described the following impasse.

"If a dress somewhere costs £40, just because of the fact that Hungary has an inflation rate of 20%, as well as high price increases, this does not mean that we can sell it for £48. The world market does not take the inflation in Hungary into account. Year by year, the prices increase here, for example electricity. But we can't increase the price for, say, a dress, just because the production costs have increased. Nobody would buy it otherwise. The domestic market is in a bad position, and if wages were raised, there would be no profits for the firms any more. In the world market, the prices are stable, but in Hungary, the prices increase, and the profits become smaller."

The strong identification of a trade unionist with the problems usually dealt with by managers, which also comes to the light in his use of the personal pronoun 'we', is not an unfamiliar set-up. It brings home once again the earlier identified, rather blurred line between the interests advanced by management or labour representatives (Chapter 5). At the same time, the excerpt illustrates well the problems which are perhaps specific to transforming economies. The fact that much of the Hungarian industry is in an extremely precarious situation certainly raises the question how useful a more conflictual approach by the unions would be. And while there was obvious concern by most interviewees about the poor earnings at their firms, and in Hungary in general, the knowledge of some strategies available to individual workers to better their situation may have led to moderate responses. As one trade unionist from a metal firm replied, not without pride, when confronted with the question whether her union would ever consider collective action:

"The Hungarian people are clever. And if they are paid too little at their official workplace, then they usually find other ways of improving their income." (MTU)

Strategies like these were also mentioned by a manager after she had conceded that workers at her firm would not be able to live on the wages earned there.

"But in Hungary, black work is widely spread. And I believe there are seamstresses who don't stay here in the afternoon, because they sew at home. They do illegal work without paying taxes, or social security." (TM)

The social issue of a growing number of workers living below the subsistence level does not only correlate with the decline in the value of the minimum wage in real

terms. Since the late 1980s, there has developed a marked wage differentiation by regions, sectors, occupational groups and socially identifiable groups of the population. In 1993, the ratio between the average income in the highest taxation bracket and that of the lowest income group was almost 18 times. The same ratio consisted of three to four times with the introduction of the personal income tax in 1988 (Vaughan-Whitehead, 1995, 34). Considering that the new inequalities have caused discontent to an extent to which connections are made between these developments and the growth of political populism and 'fascist' orientations (Vaughan-Whitehead, 1995, 35), there certainly is the question what role the issue of rising earnings inequalities played for our interviewees.

2.7.2. *Scope of inequalities*

What were the main concerns voiced in the context of earnings inequalities which now are emerging at a new scale in Hungary? Being accustomed to a culture where top salaries of executives feature in headlines more prominently than the other end of the scale, it is interesting to note that interviewees were mainly concerned about the relatively poor earnings. This may mirror the fact that pay inequalities in industry, which are still significantly below Western levels, have not (yet) reached the extent to which they would attract serious attention. At the same time, this focus may emphasise once more the issue of need and the situation of the bottom earners, whose pay can be below the official subsistence level.

"Have pay inequalities increased in recent years?"

"Yes."

"What do people think about it?"

"The workers don't really like it. But this is not the biggest problem. The problem is that the workers don't earn enough. If workers could get ft 100.000 per month, and a manager could get a million, then the workers would not ask about the proportions, because they would have enough to live on. There is also the problem of inflation, and the wages just follow it, so there is no real rise." (MTU)

"The point is not that there are high salaries, but that the minimum is too low. I have no interest in touching the salary of managers."

"Even if it was over one million forint?"

"If it is a profitable firm with stable employment, so that the people there would get decent pay, then the difference should be ten to twenty times. If the workers got ft 30,000-40,000, then it wouldn't be a problem if somebody got ft 650,000." (TBTU)

Another trade unionist (MTU) said that in comparison with other firms, management did not receive much pay in their firm, but compared with the workers' wages, they did. She summed up saying "it's not that their salary is a lot, but that the workers' money consists of very little." This was similar to the views expressed that in comparison with other European countries, managers in Hungary would get an average (MTU; CTU). "The problem is that the workers get less. Their wages are too low." (MTU)

But there were also suggestions for an ideal scope of inequalities:

"The present wages should be higher. The multiplier between management and workers should be between ten and twenty, and at the same time, the minimum wage should be three to four times higher than today." (CTU)

"If pay was to be increased, according to what criteria would you distribute the money?"

"For example, the multiplier between management and the physical workers should not be more than 5:1. This is not a rule here, but it *should* be like that."

"In Western countries, the multiplier is usually much higher than that. Is this justifiable?"

"In Hungary, it isn't like that. It is very dangerous to have more inequality, although there are places, for example in the chemical industry, and the pharmaceutical one where the numbers are larger. But not in textile." (TM)

"Who has gained most out of the recent economic changes?"

"It's sure that management has gained most."

"Would you know what the justifications are for that?"

"I think that depending on how big the difference is, then in some cases, it might be quite large, and not really justifiable. ... It would be a good idea if we knew what the average wages of workers are in the whole industry, and managers shouldn't get more than four times the wage of the average workers." (CTU)

"Would you recommend any acceptable multiplier between top and bottom earnings?"

"Between skilled workers and managers, it can be five times."

"Is this an ideal, or are you referring to the actual situation in this firm?"

"The situation here is close to this. But you can't really know about average earnings of work groups, because the physical workers get extra pay if they work extra hours, and managers get bonuses on top of their salary." (MM)

One trade unionist from a textile firm resented the size of management's salary in his firm. According to him, management had made up for the loss of bonuses by

increasing their standard salary. Inequalities had widened in recent years, to which he objected. While he called the difference in pay between management and workers “unbelievably big”, estimating that the former earned twenty times as much as the latter group, he did not commit himself to any multiplier he would have found reasonable, but just talked about his preference for smaller differentials.

So in the context of pay inequalities, the issues raised were of two kinds. Either, interviewees were discontented with the lowest pay mainly for reasons related to the problem of making a living, and showed little concern about the top of the hierarchy. Or interviewees presented their ideal scope of inequalities, thereby expressing opinions on acceptable pay levels for top earners. Where six unionists and two managers assessed the whole picture of inequalities, interestingly, both managers made suggestions for controlled maximum earnings, while three trade unionists were inclined to let pass disproportionately high earnings as long as the problem of low pay could be remedied.

3. Summary and conclusion

Let us summarise our findings by putting them into the general context of the grounds of earnings determination identified in Chapter 3 before dealing with them in more detail in the Conclusion. It will be remembered that three broad approaches to earnings determination were distinguished, the utilitarian, meritorious and formal. Concerning the utilitarian approach, one of its most specific features is its future orientation in terms of the goals pursued, so that pay is seen as functional for reaching those goals. By contrast, conceptions of the purpose of pay are of compensatory nature in the merit approach. Here, meritorious features of people or their jobs are identified, and decisions on pay levels are made on this basis. Hence, this approach is past oriented. As to the procedural approach to earnings determination, the crucial criterion is that of entitlement. Here, there is no interest in the possible merit of actions performed, but the focus is entirely on a predefined procedure and its consistent application.

Since it is difficult to conceive of wage determination in this last, purely procedural way, it could be expected that little use was made of this approach. In fact, only the data in one particular area, namely working conditions, seems to allow for an interpretation in a way in which there could be an obvious relation to ‘entitlement’. This is true in particular for high noise levels in the work environment, the acknowledgement of which was translated into higher pay. Such an arrangement

did not only appear to be uncontroversial and readily accepted, but moreover, interviewees referred to the exact number of decibels above which extra pay would be (and legally had to be) granted. In other words, it appeared that the knowledge of certain legal arrangements made it difficult for interviewees to distance themselves from this ruling, and to make an independent judgement. Instead the adherence of the firm to the formal framework was confirmed, and it may have been that the correctness of the pay levels was judged on the basis of the proper application of the rules. However, approaches like these constituted an exception, and it is clear that grounds of earnings determination identified in this chapter were mainly informed by utilitarian or meritorious thinking. Of course, clear distinctions could not always be made, and cross-categories also occurred.

Beginning with the yardstick of *equal pay for what is regarded as equal work*, the meritorious perspective seemed to be the predominant concern of most of the ten interviewees who took this approach. The logic behind it is that people with similar skills dealing with equal job aspects should get equal compensation. Only in two cases where in addition to the equal work aspect, living costs in different countries were compared can we assume that interviewees also saw the utility of earnings: a certain living standard should be met. In practice, this approach has played a negligible role in earnings determination, at least where international comparisons are concerned. Western salaries and wages were usually regarded as being well out of reach for a long time to come.

In the case of the nine interviewees who decided on pay levels on the basis of perceived requirements of the *competition for labour* in the new economic set up, there was good evidence in six cases for overriding concern given to the utilitarian dimension of pay. Where the rationale behind the setting of earnings was mainly guided by considerations of what is sufficient to retain particular workers, or to attract them from other firms and the second economy, wages and salaries seemed to have been regarded as utilitarian for the company.

A functional orientation can also be detected where the apparent aim of seven interviewees was to retain *status differentials* by means of a certain earnings hierarchy. In fact, although the aim of maintaining status differentials can be characterised as a forward planning rationale, to label it 'utilitarian' in the philosophical sense as discussed in Chapter 3 may be misleading. The future orientation of a person interested in achieving this goal is not necessarily related to the maximisation of happiness, welfare or utility - the objectives usually pursued by

utilitarians. 'Functional' or 'instrumental' are broader terms which seem to more aptly capture conceivable rationales behind the status maintenance approach. They can encompass the possibility that the aim for the continuation of established inequalities could be instrumental, say, for retaining a power hierarchy (as well as the welfare of those who are used to be in powerful positions). At any rate, the objective is likely to discourage the careful consideration of different components of jobs and of meritorious characteristics of workers, in favour of the assumption that the status associated with a certain post requires certain pay. This applies similarly to the possible interest in retaining gender differentials, which appeared to have also existed under state socialism. Concerning today's developments, most interviewees confirmed that pay between work groups of different status at their firms had been maintained or even increased, so that the target of preserving the status hierarchy had been met. This can be said to be only half true for the gender dimension of status maintenance. While here, unequal pay has certainly persisted, the ideal of some interviewees to bring the 'breadwinner-dependent' model to its ultimate conclusion is certainly quite removed from any realistic agenda. Rather, there was the clear recognition of the widespread need for two incomes in order to maintain a certain living standard.

This focus on the outcome of pay levels in the status maintenance case shifted when the comparison of work groups was linked to considerations of the value of human capital for the work process and outcome. So in the context of *human capital and job requirements*, utilitarian viewpoints were rarely taken. When relatively high pay for qualified and skilled jobs was favoured, the focus was more on meritorious aspects of the work process and of workers' traits. The eleven interviewees who referred to human capital and job requirements rated contributions more highly when work was judged either to be intrinsically more valuable due to the skills and qualifications involved, or due to the difficulties inherent in skilled and qualified work. One interviewee referred explicitly to the hardship associated with the process of acquiring education and skills.

However, more important than the mere existence of 'human capital' seemed to be the actual *performance* of firm members, when effectiveness and productivity were the underlying key ideas. In fact, while three interviewees insisted on pay which would recognise the assumed link between elements of human capital and performance, ten participants consciously separated human capital from performance, and saw both as possibly independent units. The criterion of performance was more frequently mentioned in relation to blue collar (17) than

white collar workers (10). This could highlight the dominance of one specific pay system often used in manual work, namely piece rate pay, which we have seen was one prominent characteristic of the organisation of labour in Soviet-type economies. At that time, it epitomised payment 'according to labour', and since then, the aim has been to measure performance directly (in an arguably scientific way) and to use the quantifiable outcome as the only criterion for pay. The most striking feature in the data which addressed the criterion of performance was the frequent occurrence of the idea of creating incentives, referred to by eleven interviewees. Where this data could be classified according to the two relevant perspectives, three interviewees saw incentives predominantly in a utilitarian light, helping the firm to achieve its productivity goals. Three other participants appeared to regard them as adding a motivating element to the routine of people's work from which they could benefit as well as from the assumed fairly differentiated pay resulting from perceived disproportionate effort. So in the latter case, incentives seemed to have been viewed as rewarding disproportionate effort of a person.

Concerning the assessment of management's performance, six of the ten interviewees who addressed this issue stressed the importance of the outcome of work and its implications for the firm, but two also emphasised the work intensity involved. The tendency to move beyond utility considerations in relation to management's salary seemed more visible when certain aspects of management's work were evaluated. Here, the concept of responsibility -referred to by sixteen interviewees- was particularly dominant when interviewees described the activities involved in managerial work. Of course, it can be regarded as the responsibility of any employee to ensure that the work they have been set gets done in a satisfactory way, for which adequate performance is a prerequisite. In many interviews, it was the scale of tasks management was regarded to have, and the bigger responsibility seen to accrue from it, which made representatives of labour and management emphasise the need for higher compensation for people in this position. However, a rigid distinction of the data appears impossible to draw on the basis of the two categories of 'utility' and 'merit', and the reasoning can also have been of a utilitarian nature, concentrating on the importance of the outcome of managers (not) fulfilling their large responsibilities.

It was mentioned in Chapter 5 that evidence of 'good performance' has become the basis of managerial legitimacy - one concomitant of the economic transformation, after which management had to prove their knowledge in all areas of managerial responsibilities, such as finding markets and modernising production. At the same

time, it has been noted that the link between the fulfilment of these criteria and management's legitimacy in practice could be tenuous. It could happen that trade union interviewees excused the poor market position of firms on the grounds of the generally problematic economic situation in Hungary. In this way, the responsibilities associated with management's work could sometimes have been constructed in a way in which it kept a low profile in reality.

Turning to the evaluation of working conditions of manual workers, we found consensus across all three industries that high noise levels at the workplace as well as physically heavy work had to reflect in earnings. It is difficult to interpret such agreement among the interviewees differently from concern with the discomfort and possibly ill-health this constituted for workers, perhaps unless it was assumed that problems would occur in attracting workers to such an adverse environment without the respective remuneration - the utilitarian dimension.

Differences of views between the light and the heavy industry could be detected on the issue of working conditions. The former inevitably judged women as capable of performing physically heavy work (obviously within the legal provisions) - thereby recognising the reality of women's work in the clothing and textile industry. Metal industry representatives tended to deny this possibility. Moreover, members from the light industry showed awareness of other potentially burdensome components of women's work not mentioned by their counterparts from the metal industry. Despite this, for all of them, physically heavy work seemed to constitute a completely different league from working-conditions typically found in female work.

The criterion of physically heavy work features in collective agreements not only in so far as a borderline may be drawn between normal and adverse working conditions on the basis of the number of kJ expended during the performance of some job.⁵⁸ But moreover, referring to women and physically heavy work, there can be stipulations of the maximum weight women are allowed to carry.⁵⁹ Again, judging from the type of description provided by many interviewees of physically

⁵⁸For example, the 1992 Collective Agreement of the National Federation of Hungarian machine producers and the Confederation of Trade Unions for iron workers classifies as 'normal' working conditions when no more than 5200 kJ are used per shift (MAGOSZ & Vasas Szakszervezeti Szövetség, 1992, 7).

⁵⁹For example, the 1992 Collective Agreement of the clothing industry rules that it is illegal for women to carry items without assistance which weigh over twenty kg (Ruházatipari Dolgozók Szakszervezete, 1992, 6).

heavy work, two inferences seem possible here: the burdensome aspects of this type of work were recognised, and adequate compensation was sought for this above average effort. At the same time, however, there was certainly some awareness of the fact that work is structured in a way in which the group of female workers has categorically been excluded from the better paid work in adverse conditions, which tends to comprise physically heavy work. In fact, collective agreements at firm level may distinguish between medium heavy work and very heavy work, the former being classified under normal working conditions, and the latter under adversary.⁶⁰ Reflecting on these circumstances, we might want to argue that in addition to situations where the maintenance of status differentials between the sexes was the direct goal, this objective could have been pursued indirectly by interviewees who focused on one aspect of work which only men are allowed to engage in.

Such an argument gains strength when we consider that those aspects of work which mainly women are exposed to were attributed little relevance to in terms of compensation. This was true even if the health damaging effects of some work in the 'light industry' indicate the high degree to which it demands physical efforts. In this context, the offer of early retirement can hardly be seen as more than serving the function of releasing workers who have become inefficient. It is also indicative that the criterion of monotony was at the other end from physically heavy work on the scale of adversary working conditions. Only one trade unionist identified with the idea of compensating monotonous tasks, and pointed to the severely constraining circumstances of assembly line work. One manager of a clothing firm showed interest in rewarding monotonous jobs relatively highly because of the relationship she saw between monotonous, low paid work, and a shortage of workers, which was creating problems for the firm - a utilitarian view. But even if *direct* links between the pecuniary recognition of adverse working conditions and its utility for the firm occurred very rarely, there still remains the possibility of a more covert relationship. If monotony was included in job evaluations, a rise in the pay of particularly women workers would be likely to follow. The assumption is certainly not unreasonable that employers and unionists may have rejected the consideration of this factor due to the uncertainty and fear of its conceivable, far reaching, implications. In fact, such attitudes have been exposed in Western countries particularly in the area of Equal Pay legislation, and a brief look at the

⁶⁰cf. Collective agreement of clothing firm: Fékon Ruhaipari RT, *Kollektív Szerződés*, 1994, 5/6.

problems with its implementation may prove instructive when our data is to be put in context.

Following the Equal Pay Act 1975 in Britain, the potential costs of equal pay was a recurring theme, and it was mainly the reference to economic difficulties which hindered the prompt introduction of legislation. The concern expressed then was whether the country, and especially certain industries, would be able to meet the expense of equal pay (Snell et al., 1981, 5). To overcome such problems, suggestions were made "that the money would have to come either from profits or from productivity (with a resulting drop in capital investment) or from prices (with resulting inflation)" (ibid.). Interestingly, these themes have been very prominent in the transforming Hungary, albeit not as part of the (rarely posed) gender equality question. Rather, such issues have been discussed in the wider context of the perceived inadequate earnings which exist in the country generally, and the search for strategies to increase them. The dilemma of the suggestions above was explained by interviewees several times: first, if profits or growing productivity rates were used for pay increases, rather than investment, this could mean the possible stagnation of productivity gains, because out-dated technology could not be modernised; competitiveness with firms where investments in new machinery had been made would be reduced. Second, in the hunt for markets, whether domestic or foreign, it was explained that a rise in prices for products was out of the question.

Although such rationales may have affected male and female wages in a similar way, when we return to the issue of monotony as a working condition predominantly found in female work, again there is reason to believe that sexist assumptions are at work. More is at stake than the financial situation of the firm: just as would be the case if the relative importance of the criterion of physically heavy work was re-assessed, with the inclusion of monotony, too, there would be the risk of upsetting the traditional pay structure. In Britain, employers were, of course, aware of this. Not surprisingly, a narrowing of the established pay differentials by gender was accompanied by the protest of those men (and their associations) who perceived themselves as losers. So in many cases, a variety of measures were taken to avoid the closing of the differentials. They consisted of actions which were to minimise women's upgrading and resulting pay increase, but also to compensate men (Snell et al., 1981, 23-25). This perhaps very common phenomenon is likely to have applied also to past and present Hungary. In the past, the selection of aspects of work to be well compensated was mainly to women's

disadvantage, and our interviewees did not urge for changes in this area. While representatives from metal firms tended to focus on the physically heavy aspects of male work, their selection of supposedly light features of female work functioned as a justification for higher pay for men. Furthermore, our data suggested that other working conditions than those listed as adverse in collective agreements were usually denied a wage increasing role, sometimes on rather unconvincing grounds. Few interviewees were prepared to seriously consider elements of women's work which could have been regarded as similarly difficult to physically heavy jobs. Instead, another dimension of comparison may have been evoked, for example, that of skills, and it was argued that on the grounds of the more sophisticated work men do, their pay should be higher. This suggests that here, too, interviewees had a strong interest in seeing the continuation of the status quo.

Before looking at the extent to which different notions of men and women's work and their respective pay featured in discussions of *needs* and earnings, we should first consider again the possible utilitarian or compensatory aspect surrounding this issue. Consulting the 1992 Labour Code on the remuneration of work is helpful for this purpose. §144 (5) seems to sum up the dilemma decision makers face: when the Hungarian government is to specify the mandatory minimum wage,

“the needs of employees, the cost of living, social security benefits and the relative standards of living of certain social groups as well as the economic conditions, including the requirements of economic growth, production levels and the desirability of maintaining high employment shall be taken into consideration.”

So the meeting of employees' needs through earned income (as opposed to social transfer mechanisms) is included. This could be interpreted as either regarding this level of pay as the minimum of an acceptable compensation for a working day (i.e. a 'decent' wage), or as aiming at ensuring the reproduction of reasonably healthy workers and acceptable productivity records- a utilitarian outlook. This latter view, which is informed by economic considerations, is supported by the second half of the Paragraph (i.e. the 'economic conditions'), which lies in troubled juxtaposition to the first. No indication is given how to deal with the elements which are bound to conflict with each other, and the Paragraph certainly allows for a wide scope of action. The first part of the Paragraph is difficult to reconcile with the fact that the national minimum wage in 1994 consisted of no more than 70% of the official subsistence level, and has the tendency to lag behind even further with increasing prices (Berki & Ladó, 1995b, 172). Moreover, in most interviews, the economic situation of the firms was indeed regarded as prohibiting pay at the level where

needs would have been met. While this situation appeared to be almost universal in Hungary, its evaluation could vary. Only one interviewee made the direct link between needy workers and the possibility of deteriorating standards of work, which could follow. The majority of interviewees primarily manifested uneasiness about workers getting a poor deal for their work, but saw themselves in no position where they could have acted to counter this.

Interestingly, there is the following third version: the knowledge of a trade unionist interviewee of people's possibility to increase their incomes by participation in the second economy rendered the issue of low pay less important for her. Such an attitude may also explain the nature of industrial relations in Hungary, which can be characterised by the absence of industrial action, despite poor earnings in comparison to living costs. The view of the second economy as a strategy for survival also demonstrates the persistent existence of people's flexibility in finding ways of increasing their income, which was already a common feature of the socialist low wage economy.⁶¹

On this basis, it seems that the search for ways of managing could easily close the sight to the fact that the strategy opted for may be nonsensical. Nonsensical for workers, whose right it should be to rest after their shift in the official economy. And nonsensical economically, which was recognised by interviewees, who described the damaging effects the second economy had on their firm, whether due to competition with the cheaply produced goods, or due to a large proportion of workers who returned exhausted to their official shift.⁶² A direct link has also been found between time spent on a second job and growing absenteeism, which can be observed in most enterprises in Central and Eastern Europe (Vaughan-Whitehead, 1993, 15).

But the detrimental side-effects of attempts to make up for low wages by extending working-hours appeared to have had a low profile compared to the perceived gains. This can also be demonstrated with the attitudes found in relation to certain

⁶¹The attitude of readily accepting difficult situations, and of attempting to address them within the existing framework, has been argued to reflect the habit of many Hungarians 'to struggle on'. "Those who participated in the second economy had learned through experience that things usually worked out somehow" (Durst, 1993, 80).

⁶²The share taken by the black market for some industrial goods is substantial. A study by the economic analyst Kopint-Datorg yielded that, for example, in the clothing sector, where black market prices are more than 30% lower than in shops, some 27% of the trade turnover is unregistered (Popper, 1996). As concerns the extent of 'black' labour more generally, a government report estimated its proportion of the GDP at 10-15% (Nesporova & Simonyi, 1994, 6).

time patterns of work. Much energy by trade unionists seemed to have been channelled into the issue of compensation for overtime and shift pay. Generous bonuses in these areas may have been particularly important to unionists due to the role these provisions used to play in the past, when especially overtime work - which was mainly done by men- received relatively high returns. While at that time, overtime pay was likely to have made significant contributions to the meeting of needs, this phenomenon can support a similar argument to the one above. By aiming at extraordinary pay for extraordinary working hours in order to allow for the maintenance of a certain living standard, a more direct strategy which appears to represent interests of workers more comprehensively has been neglected: the deal of acceptable pay levels for 'normal' working hours. By being so overly concerned with the instrumental aspect of pay, there seemed to have been a lack of careful assessment of whether the actual work investment and the function achieved were in proportion. Maybe such a tendency can easily occur when the function to be fulfilled comprises a goal as basic of a nature as meeting primary needs. The perhaps misguided pursuit of a limited goal notwithstanding, there is no doubt that unionists acted in what they perceived to be the best interest of the workers by providing them with substantial, albeit exhausting, means of topping up earnings.

The issue of need can be said to have featured in yet another area, namely in discussions about the appropriate scope of inequalities where interviewees concentrated on earners at the bottom of the hierarchy. In fact, no explicit statement was made about the purpose of raising the lowest wage, other than the importance of reaching subsistence level - a functional view. The scale of inequalities at firms received responses of various kinds. Some interviewees seemed indifferent to the size of top earnings of management on grounds as discussed in the section dealing with 'performance' (i.e. the outcome of management's work was seen to justify their pay), or because the low pay at the other end of the scale, to which much attention was devoted, was not regarded as bearing any relationship with the highest earnings. The alternative to this stance was that quite clear conceptions of an ideal distribution of earnings were outlined, and the aim was to also control top salaries. This may have been because management's contribution could not be conceived of as more valuable than x times that of a worker. Or because there was fear of action by those who would resent a highly unequal, distributional pattern, as was perhaps hinted at by the manager of a firm who referred to the "danger" which accompanies high levels of inequality.

What are the implications of the issue of poor earnings and strategies to deal with them for gender inequality of pay? One crucial issue which has been drawn to our attention is the dimension of time. Time is needed to participate informally in the economy in order to improve insufficient earnings, and it has also been shown that control over one's time is crucial in order to take advantage of the perceived generous benefits arising from overtime or shift work. Considering that many textile and clothing firms with mainly female workers relied on shift work, and also offered overtime work, it can obviously be assumed that women, too, engage in this kind of work. However, to what degree and at what expense they are able to do so is certainly a different question. Although only one interviewee drew the explicit contrast of men enjoying advantages in this respect by being able to stay longer at work while women have to ensure the fulfilment of 'their' caring and domestic responsibilities, it can safely be assumed that most female workers with certain responsibilities have severely limited amounts of time at their disposal. In so far, the reliance on workers' control over time in earnings possibilities can be regarded as discriminatory, reinforcing the stereotype of the male breadwinner.

Of course, managers and trade unionists may have perceived the competitiveness of their firm to hinge critically upon workers' willingness to be flexible in terms of time patterns of work, and may have wanted to create incentives for workers to cooperate. However, in many cases, unionists described their conflict with management over the pay rate for unusual working hours, so that they appeared to be more concerned with either the inconvenience and extra effort associated with such work, or the function of it in terms of meeting workers' needs, rather than with the profitability of the firm. By the same token (and perhaps unconsciously), they paid more attention to the increase of male than to female earnings.

In many ways, this 'hidden agenda' would not be surprising, considering the points which have been raised in the discussion of status maintenance and of images of women workers. The ideal of earnings functioning to establish or re-inforce traditional gender relationships has explicitly been mentioned by interviewees and hardly been challenged by anyone, including cases where an awareness of unequal earnings between the sexes existed. Such tacit approval by men as well as women is likely to have implications for the other grounds of pay considerations we detected: women's market position is weaker than that of men, not only due to their concentration in certain manual jobs which arguably demand little human capital. In addition to this, there are women's own, low expectations in their pay, partly related to an underestimate of the skills they bring to the job, and of the harsh

conditions they sometimes experience. Together with employers' assumptions of what women 'need' in terms of income, it is certainly no coincidence that despite the lack of seamstresses which several interviewees from the light industry deplored, their wages were comparatively low.⁶³ Classical economic propositions about the wage increasing effects of a high demand for labour are thereby contradicted. From this, it may be inferred that the functional objective of pay, which aimed at maintaining gender inequality, was reinforced by the compensatory aspects of earnings distribution. While in theory, the functional dimension could have been countered by compensatory criteria, in practice, such criteria were used in a way in which they contributed to a pseudo-exercise for the legitimisation of the status quo.

⁶³In fact, two management representative suggested that the problem with the filling of sewing jobs was the new social security system: women would be able to claim benefits at a level close to what they would be able to earn as a seamstress in their firms.

CONCLUSION

MORAL GROUNDS OF EARNINGS DETERMINATION AND GENDER

In this final chapter, the task is to pull the various threads together which have emerged in the previous chapters. For this purpose, it is useful to examine the implications of the specific moral grounds of earnings determination identified in Chapter 3 for our data. Which of the different principles, 'achievement', 'need' or 'desert' seemed to particularly appeal to interviewees, and what may be the consequence of this for earnings inequalities by gender?

Following this, grounds of earnings determination are looked at in the light of men's and women's different experiences in the labour market, and the implications of this for some theoretical aspects of just earnings contemplated. Finally, some comments are made about a possible policy agenda arising from the research, and speculations about the future of earnings inequality by gender in Hungary are attempted. Throughout this conclusion, there will be the need to refer back to earlier chapters in order to put our findings into context. At the same time, it is hoped that by drawing upon the major theoretical and empirical findings of all the chapters of this thesis, the picture of rationales behind pay determination and women's possible achievements in the earnings hierarchy will become as comprehensive and complete as is possible within the framework of this study.

1. Implications of moral grounds of earnings determination for our data

Let us briefly remind ourselves of the key characteristics of the following three principles discussed in Chapter 3: the meritorious principle of desert; the principle of achievement, which can be constructed in a meritorious or functional way; and the formal principle of entitlement. The concept of justice as desert was in part based on the Rawlsian argument that advantages resting on talents or abilities are undeserved as "no one deserves his place in the distribution of native endowments

any more than one deserves one's initial starting place in society" (Rawls, 1971, 104). From this, it is possible to argue that effort constitutes the only acceptable measure of desert. The objective of this theory of desert was seen in compensating people for their efforts by means of establishing an equilibrium of the benefits and burdens identifiable in a certain job, or during the training for an occupation.

The criterion of effort distinguishes itself from that of achievement perhaps mainly in so far as the latter concept can encompass natural or social advantages used for the accomplishment of certain tasks. In other words, the reasons for people's achievements do not need to be closely examined. Moreover, no careful assessment of the pleasant and unpleasant aspects of work is necessary, as ultimately, it is the outcome of work which counts. While 'outcome' is also the crucial criterion of utilitarian or functional grounds of earnings determination, there is a clear difference between the two principles: the principle of achievement relates work results back to the person, and to those characteristics which are judged meritorious. By contrast, utilitarian rationales centre around the possible purpose a certain outcome may have, which can be independent of the characteristics of the person who brought about this result. It is in this respect that achievement also differs from entitlement. Achievement (as well as desert) was described as a substantive principle of social justice, including conceptions of 'just outcome', whereas entitlement belongs to the category of procedural justice, or fairness. Here, notions of 'just outcomes' are missing, and what matters exclusively is the strict adherence to certain rules. 'Entitlement' operates within a given framework of rules, and the only concern is to see to the proper implementation of those rules. It was pointed out in the preceding chapter that this approach, if adopted at all by interviewees, constituted an exception.

1.1. The significance of 'effort' and 'achievement' in earnings considerations

Concerning the data we have collected, it seems a futile exercise to search for those cases in which interviewees fully identified with the pure effort component of desert theory, and perhaps even applied it. In the previous chapters, it emerged that such a situation never occurred. In fact, any other result would have been surprising. While we have seen that even in socialist Hungary, many 'non-deserved' traits, such as abilities based on talent, could play a role in earnings determination, it would be unrealistic to expect a tendency towards the exclusion of non-deserved characteristics in pay considerations in a market economy.

Notwithstanding the existence of capitalist societies which pursued a 'third way', capitalism is based on an ethos which propagates the full utilization of the resources people have to offer, and which provides incentives for achievements beneficial for business without paying much attention to the basis on which achievements rest. Some notable exceptions have occurred where gender equality is on the agenda, and where the opportunities to acquire human capital are critically examined.

In our case, it could be seen in the preceding chapter that the meritorious perspective was relevant in the contexts of comparisons, human capital, performance and working conditions. However, in some instances, it was difficult to find direct evidence of the exact rationale underlying the perspectives and there are possibilities of cross-categories. For example, where comparisons of jobs of assumed equal content were used as guidelines for pay levels, the espousal of equal pay for equal work could have been brought about by the belief in either of the two principles, achievement or desert. The precise distinction would depend on whether other criteria than effort would have been acceptable to the interviewees, which is, of course, most likely. In fact, the personal characteristic used to illustrate what constitutes 'equal work' was that of qualifications, which is certainly related to non-deserved talents to some degree.⁶⁴

A clearer picture emerges when we include the criterion of performance. In the three cases in which a link was made between human capital and performance, characteristics such as experience, skills, strength and quickness were the factors pointed to, which go all beyond the mere exertion of effort. It appears indeed that denying higher earnings for these non-deserved characteristics when they have clearly influenced the outcome of work is difficult to justify in practice. This could partly be due to the fact that most of us will be accustomed to a situation in which such characteristics have always constituted a fixed part of wage determination.⁶⁵ Concerning the Hungarian situation in particular, it was pointed out that in socialist Hungary, skill became the decisive determinant of pay in the 1970s, and in the 1980s, skilled male workers earned about 50% more than unskilled ones (Cukor & Kövári, 1985, 184-5; Chapter 7) It could therefore be expected that all of the

⁶⁴ Other justifications were work-based, or related to 'needs' - areas which will be dealt with below.

⁶⁵ In fact, interviewees' outlooks broadly coincided with the intention of job evaluation plans, which are often used in firms in Western countries to estimate the relative value of jobs. Their aim is to systematically reward jobs for their content, and they are generally based on skills required for the job (i.e. training and experience), responsibility, physical and mental effort, as well as the conditions in which the work is performed (Eyraud, 1993, 36; Treiman & Hartmann, 1981, 95).

interviewees adhered to the achievement category in this respect. However, warnings were given about the temptation to reward certain components of human capital without carefully monitoring their effects on performance. The ten interviewees who concentrated on performance showed awareness of possible discrepancies between qualifications or skills 'on paper' and actual performance. People's effectiveness was regarded as equally or more important than formal qualifications, which can certainly allow for some room for the criterion of 'effort'. This is also true for three interviewees who justified performance rate pay for manual workers by referring to 'more industrious' workers, effective, diligent or lazy people.⁶⁶ Still, generally, an emphasis on the principle of achievement predominated.

What could be the consequences of this emphasis for gender inequality? The literature review which dealt with earnings inequalities by gender in general (Chapter 2), and the historical account of the situation of females in the Hungarian labour market (Chapter 6) would suggest that male workers are likely to be favoured, as throughout their lives, men tend to have experienced greater encouragement to acquire those types of education and training which are highly valued in the labour market. Moreover, because of the fact that skills, too, are gender segregated, there is the issue of how to evaluate unequal types of skills. Indicators derived from the examination of job evaluations point to the likelihood that even where 'female skills' involve training comparable to what 'men's skills' require, the former will be less well rewarded (Chapters 1, 2 and 7).

However, where such views could have featured in the interview data, they had a relatively low profile. With regard to interviewees' perceptions of male and female human capital, men's views of female 'differences' hardly focused on women's skills, education or ability in general. The lack of skill comparisons between typically male and female work in considerations of earnings levels for certain human capital (Chapter 7) can have an obvious reason: these various types of skills are very difficult to compare with each other - the well known problem bedevilling 'equal pay for work of equal value' cases (Eyraud 1993, 40; Treiman & Hartmann, 1981, 70). Hence, while it could happen that some female skills were spoken of in a derogatory way (e.g. "women who don't have to be trained for anything, but just sew two pieces together..."), others were appreciated. For example, the dressmaker

⁶⁶ Two of them referred to 'skills' as well as to the criteria listed.

was compared favourably with the seamstress, perhaps reflecting assumptions about different levels of training on which the skills for these jobs are based. While it may be true that female skills acquired in an informal setting are thereby likely to be undervalued, little evidence exists in our data on the basis of which we could argue that female skills, when compared to male ones, were *systematically* undervalued by interviewees.⁶⁷ Of course, this recognition does not allow us to infer reversibly that the different skills were evaluated equally, as there were no explicit statements to this effect either, and statistics on earnings distribution by gender (as referred to in Chapter 6) can be regarded as pointing in a different direction. After all, even if certain skills are highly valued in one industry, the earnings resulting from them may still be low in comparison to the pay for similar qualifications in other industries. Related to this, our data have highlighted the prominence of traditional ideologies defining suitable employment for men and women. Furthermore, there were cultural forms of role attribution in the private sphere. Above anything else, women's obligations were referred to when accounts were given why female career profiles are flatter than those of their male counterparts. Such restrictions were also mentioned by female interviewees, although they credited women with the ability of successfully combining their dual roles (Chapter 6). Interestingly, this seemed the only important issue on which a gender difference in attitudes could be revealed.

The resort to 'tradition' as an explanation for gender segregated work could in part have been used as an easy explanation, releasing the interviewees from the task of a more detailed analysis of how men and women are discretely directed into their respective areas of work. At the same time, the finding of an implicit or explicit stress on tradition is not unexpected as it also featured in our literature review in several respects. It was shown before that traditional role attribution to boys and girls is likely to result in occupational segregation already at employment training level; that societal norms and sex-typing define industries as either 'male' or 'female', and that these definitions may correlate with the primary and secondary segment of the labour market; and we saw that wage discrimination can take place on the basis of subscriptions to the 'male breadwinner model' (Chapter 2 and 6). What is striking about our data still is the fact that interviewees obviously gave

⁶⁷The structure of the research could have contributed to this situation in so far as it tended to examine firms of industries in which either of the sexes dominated, so that there was a lack of possibilities for interviewees to compare typically male with typically female work.

higher priority to elements associated with tradition than to personal traits of men and women. What are the implications of this?

In principle, the identification of 'tradition' as an explanation for gender segregation of employment (and pay) can constitute the basis for innovation. Since traditions are not intrinsically gender-neutral, those who have recognised that certain practices are based on perhaps preconceived ideas rooted in tradition may want to consider new and less discriminatory arrangements. The acknowledgement of gender inequality resting on tradition could be seen as an impetus to change. It could result in a replacement of sexist norms, which may underlie institutions, with gender-neutral and 'untraditional' ones. Yet, the way in which our respondents referred to gendered work as 'tradition' did not seem to convey any perception of a problem, let alone a wish for change. Pre-labour market factors such as the socialisation process and education were rarely mentioned; and issues arising at the level of the labour market, for example, low pay in feminised areas of work, which could function as deterrant for potential male applicants, were similarly neglected.⁶⁸ No evidence of a sense of patriarchal relations existed even in the answers of those interviewees who included factors external to the individual in their analysis. Women's inferior positions in the labour market -whether in regard to their concentration in poorly paid and low status industrial sectors or to bottom positions in the firms' hierarchy- were never seen as being defined by gender relations, such as men's greater power and control in most areas of social and economic life. Most commonly, the viewing of employment segregation through the prism of perceived cultural features led to the absence of a critical examination of the status quo. Alternatively, if the status quo was seen in a more critical light, we still found resignation to the state of affairs, and an absence of suggestions for possible changes. Or the reference to culture in relation to gender segregated work was used to defend current structures.

These views were also reflected in some of the interviewees' values relating to earnings determination. Concerning wage differentials by gender, the functional category with the most obvious gender bias, i.e. the idea of maintaining status differentials by gender, received the greatest number of references, with over one third of the interviewees showing some kind of concern about this issue. So not

⁶⁸ This is not true for one case in which a male trade unionist of a textile firm identified low wages in the 'light industry' as a problem - but not as a problem for women. The difficulty he saw was related to the firm, as in his view the low wage levels failed to attract male workers whom he deemed more reliable.

only was the gender division of labour explained in terms of tradition, and perhaps approved of, but wage differentials were also presented as ideally being geared to the objective of making the '(male) breadwinner model' feasible (Chapter 7).⁶⁹ In other words, while none of the interviewees seemed to pursue gender equality as one of their goals, the ideal of different roles assumed by the two sexes was firmly on the agenda. If gender differentials in pay can be explained to such a great extent by people's acquiescence with traditional arrangements, then there are implications of this for some of our principles of just earnings -an issue which will be dealt with below.

Finally in this section, it can be commented that the 'male breadwinner model' is in direct opposition to socialist theory, which regarded women's access to financial resources as the key to gender equality. Interestingly, similar to interviewees' explanations of women's unequal position in the labour market in which socialist concepts were never evoked, in terms of earnings, too, socialist explanations of the role women's employment could have in terms of their relationship to men were never referred to. In the one case in which employment was regarded as important for females, the interviewee confined his argument to situations in which women perceived their job as a vocation, with intrinsic rewards, rather than as an economic necessity.

To some degree, these opinions can reflect the gap which existed between the theory and the reality in state socialist societies. It was argued before that not only did the proposed ideals surrounding 'the woman's question' remain little more than rhetoric, but that even the rhetoric itself was adjusted to the perceived expediencies of the economy or the demographic development (Chapter 6). The fact that interviewees' responses seemed to be hardly affected by the proposed ideals of the socialist era could then reflect several situations: it is possible that the zig-zag course concerning 'the woman's question' during socialism failed to convey the importance of women's employment for their emancipation; or the everyday phrase of 'gender equality' led to a situation where equality between the sexes was regarded as a *fait accompli* - an assumption which prevented the examination of

⁶⁹ The possibility that the preservation of status differentials could have underlain the acceptance or espousal of inequalities seemed similarly strong in the case of class inequalities. Here, references were often made to the socialist past, when the 'proper hierarchy' in the earnings of certain work-groups had been disrupted. Relief was expressed about the fact that with the recent widening of pay disparities, this grievance had diminished.

reality. This seems particularly likely considering that some interviewees admitted that they had not given much thought to issues of women's positions in employment, while in other cases, their long pauses and evasive answers also pointed to insecurity in this area. Still, there is the alternative possibility that, despite the rhetoric, interviewees could not identify with the proposed ideal of women's emancipation, or that they turned their back to it in the wake of the transformation. After all, not only have many of the former ideologies become discredited, but strong anti-feminist tendencies exist in most post-socialist countries (Chapter 6)

So far, possible implications for women's earnings were discussed which arise from the assessment of personal characteristics which male and female workers are deemed to have. They were seen in relation to references made to traditional conceptions of male and female roles. Let us now turn to other grounds of earnings determination, the objectives of meeting needs as well as the balancing of burdens and benefits.

1.2. The significance of 'need' and the 'equilibrium of benefits and burdens'

The desert theory of justice argued that one of the preconditions necessary for assessing the meritorious characteristics of people is the requirement that their basic needs are met. In other words, people's work can only be assessed in a meaningful way when this prerequisite for responsible and autonomous action is fulfilled. In theory, only under these circumstances would the measurement of workers' performance, and their respective financial compensation, have the potential of being socially just.

Moreover, the issue of meeting needs was described as a principle in its own right. It was shown in the preceding chapter that, so far, secondary income distribution has failed to lift a considerable proportion of the population above subsistence level. Whilst in the past, benefits were linked to the minimum wage, which in turn was related to the minimum level of subsistence, these connections have now been broken (Berki & Ladó, 1995b, 173). Benefit levels after the transformation have been characterised by quick and substantial changes -mostly reductions- in their coverage and generosity. There seems to be little prospect of a change in this situation if the large budget deficit and the current tendency of strict control over public expenditure at times of increasing needs is to remain. The unpredictability of income from public sources is likely to result in a preference for sources of financial

support which can be regarded as self-reliant. However, the inadequacy of the minimum wage level in Hungary leaves a considerable proportion of the working population with an (official) income which is below the subsistence minimum (Chapter 7). It is particularly for this reason that the issue of earnings and needs could have been an important point of discussion in collective bargaining.

At first sight, it seems as if considerations of needs played a very marginal role in the wage determination of the firms in our sample. In most cases, wages of particularly physical and routine clerical workers were significantly below the official subsistence level. Interviewees showed awareness of this fact, but tended to be resigned to it on the basis of the economic situation of their firms. Possible feelings of uneasiness in the face of such conditions tended to be moderated by suggestions that the development of companies would only be possible if the labour costs were retained, and if disproportionate sums of money were expended on 'expertise', i.e. on persons with the human capital required for the advancement of the company. It was hoped that in the long run, such measures would lead to more employment possibilities, as well as to delayed material rewards resulting from the gains made through the initially meagre earnings for some groups of workers and employees, and through wise investment decisions. Although only one interviewee pointed directly to the second economy as a source for workers and employees to increase their income, this well entrenched phenomenon in Hungary, and the behaviour pattern and value system underlying it, is still widespread, and seemingly even expanding (Durst, 1993, 77-8). This may partly explain relatively lax attitudes towards absolute levels of pay.

Concerning relative earnings levels, what is of particular interest are the perceptions of the degree of (dis)comfort certain jobs entail, and the ways suggested to balance them. Looking at the ranking order interviewees gave to certain aspects of work in relation to their adverse nature, the following picture emerged. While physically heavy work represented the clear focus of interviewees from the metal industry in relation to 'adverse working conditions', a wider perspective could be found in the light industry. Although here, physically heavy work was also attributed much importance to, this held similarly true for 'standing' and 'noise exposure'. Across all industries, high noise levels, physically heavy work and the need to perform work in a standing position were the features where highest agreement could be found on the necessity of awarding relatively high remuneration. The small number of two interviewees also referred to sitting as contributing to difficult working-conditions, whereby one of them explained how

the seamstress's bending over her work could cause problems with the spine. This should raise our awareness that perhaps few people would deny that the continuous maintaining of one certain body posture for eight hours is limiting and uncomfortable, even if it meant sitting. Notwithstanding, a sitting working position received less attention as a potential wage increasing force than standing, and monotony less still.

There could be a quite simple explanation why interviewees seemed to have related better to some disadvantages at work than to others. The results can reflect difficulties we often have in distancing ourselves from a familiar situation, and judging it critically. For example, what is striking in the data concerning noise levels is the fact that some interviewees referred to the exact number of decibels which was exceeded at their firm, showing awareness of the legal requirements. It could then be the case that in accordance with the 'entitlement' idea, the approval of the inclusion of the noise factor was given for reasons connected with the legal framework, instead of being based on some personal judgement. Similar to the criterion of noise, it may have been the appearance of physically heavy work in legal documents -rather than interviewees' own, independent evaluation- which contributed to opinions that higher pay was needed here.⁷⁰

Beyond this possible 'entitlement' approach, it appears that the categories of noise, physically heavy tasks for manual workers, and even 'responsibility' for management, tended to be presented as having characteristics which were not attributed to other disadvantageous conditions. Concerning management's responsibility, we have seen that many interviewees referred to the possible consequences in case of failure in this area. These consequences were portrayed as being measurable and as significant. For example, management's failure was associated with bankruptcy of firms, or with the loss of large sums of money. There is one feature then which job components such as responsibility, physically heavy work and high noise levels were seen to have in common: all variables can be measured to an extent, and can thus perhaps easily be related to. As was referred to in the previous chapter, collective agreements distinguish between different categories of working conditions on the basis of the number of kiloJoule used per shift; or they rule out for women the carrying of items weighing over twenty kg.

⁷⁰This seems however less likely, due to the clear emphasis on the compensatory aspect of pay for physically heavy work, which was discussed above, and which demonstrates that interviewees identified with this principle.

For noise levels, we have noticed that a number of decibels is provided above which working conditions can be regarded as adverse. While there are other categories which could also be characterised as adverse, such as monotony, it appears more difficult to operationalise this criterion in a way in which it would be measurable. In fact, interviewees' rather inconsistent evaluations of the severity of monotonous working conditions can testify to this. The same applies to some benefits of work. While there may often be the advantages of a large scope of decision-making and autonomy accompanying the more burdensome aspects of responsibility, what exactly these benefits consist of in quantitative terms is difficult to define.

Disregarding the reasons why interviewees saw some burdens of work as more significant than others, one would still imagine that the order of priority they awarded to certain disadvantages mirrored in their evaluation of jobs. Interestingly, there seems to have been some inconsistency between the assessment of working conditions in theory, and its application in practice. For example, the work of the weavers should have been evaluated highly, due to the fact that all the three factors regarded as important (i.e. high noise levels, a standing working position and physically heavy work) are included in the job to some degree. However, even in the one case where this fact was explicitly pointed out, it was not concluded that pecuniary compensation was in order, but compensation was seen to be provided by the possibility of early retirement, i.e. retirement at the age of 48, instead of the stipulated 55 years for women. This also applied to the interviewee who had described the health damaging effects of the sewing job, and who regarded 'retirement' as a compensation for the women concerned. But despite the recognition of ill-health possibly resulting from these two jobs, in terms of pay, the harsh aspects of this work remained marginalised.

The offer of early retirement can be judged to be a very comfortable solution for employers, as it avoids any controversial movement in the pay structure, as well as containing the resources of the firm. It may thus be more the company which benefits from such policies, than the group of workers. In so far, the key players in the process of wage setting appeared to have been outcome oriented, at the expense of a careful examination of adverse conditions in some occupations. Certainly, the concession of early retirement can not be interpreted as an attempt to establish an 'equilibrium of benefits and burdens'. Even if it has some compensatory aspects, interviewees seemed to regard it as an allowance for the ill-health resulting from

certain work, i.e. for its effects on the worker, rather than for the effort expended during the process of work.

The provision of early retirement is also inadequate on other grounds: the fact that many workers who have been in the job for many years suffer ill-health means that their ability of enjoying their retirement is limited, and premature death not unlikely (Maltby, 1994, 126). This suggests the urgent need to consider the possibility of changes in working conditions, so that the likely effects on health can be minimised. For example, the design of workplaces should reflect calculations about the most advantageous height of chair and table, as well as the best distance to the machine, for individual workers, whose body sizes will differ from each other. Occupational therapists could get involved in assessing possibilities of seamstresses changing body postures and movements during their work. Moreover, the need for longer breaks from sewing, or shorter working days, could be recognised. This would indeed be in line with the 1992 Hungarian Labour Code, where it is stated in §117 (3) that

“[i]n case of work especially dangerous and harmful to health, either the provision of law or the collective agreement may specify the length of time to be spent with the harmful (dangerous) activities - at a maximum of six hours per day- and may prescribe other constraints as well.”

Only after all reasonable possibilities of maximally improving the conditions for physical workers in a firm have been exhausted, and the work is still thought to have components which require special recompense, would we need to take other means of creating a balance into consideration, possibly higher earnings. Hereby, it is assumed that most people would prefer to be healthy throughout their lives than to retire early in ill-health.

Reflecting on the described arrangements with the gender perspective in mind, the suspicion arises that there was a tendency of a systematic differentiation between benefits offered to men and women in the attempt to compensate for some burdensome components of work. Money was not regarded as a suitable means of compensation for some types of disadvantageous components of jobs. By contrast to physically heavy work from which women could sometimes be excluded on legal grounds, those types of discomfort usually associated with female work were either not regarded as serious enough to demand any compensation; or if recognised, the importance of working conditions was suddenly played down, and other possible criteria of earnings determination were stressed, for example, human capital. When features such as monotony were actually addressed, this could happen by way of

organising work places in a manner in which some changes of the routine were possible; or workers exposed to the vapour of glue were offered more frequent breaks and free drinks - a rule that would certainly make sense for physically heavy work, too; perhaps most intriguingly, the possibility of early retirement was presented as a valid means of compensation. It can thus be inferred that some aspects of earnings determination which could be regarded as compensatory were of a mode where they complemented -rather than countered- the maintaining of status differences between the sexes. Traditional role ascriptions were thus complied with in both categories, the compensatory and the functional.

To summarise the crucial implications of our principles of earnings determination for the data, the following points can be made:

Concerning the principles of 'effort' and 'achievement', which can be distinguished by the different role they allow for 'non-deserved' personal characteristics in earnings considerations, pure effort was attributed little importance to. However, 'effort' as a *complementary* element to particularly formal achievements, such as qualifications, seemed to have been widely welcomed. This still means that, not unexpectedly, the overall emphasis was on 'achievement'.

The impact of this principle for gender inequality appeared to be weaker than could have been anticipated in the light of the literature reviews. Its dominant occurrence was hardly accompanied by any obvious and systematic underevaluation of women's skills and qualifications. Rather, women's inferior position in the labour market was often accounted for by the force of traditional arrangements. The fact that 'tradition' as a main causal factor for horizontal and vertical job segregation hardly received any critical evaluation can be placed in the context of the functional attitudes expressed. They comprised suggestions that differentials in pay should reflect status differentials by gender; the not uncommon espousal of 'the (male) breadwinner model'; and the lack of voices in favour of a review of gender-relationships.

The gender dimension also emerged when interviewees dealt with issues of 'need'. While need was rarely addressed in an explicit way by interviewees, it appears to have featured implicitly in significant ways: the types of compensation offered for certain working conditions attributed more importance to male than to female income.

In a nutshell, while functional grounds of earnings determination *overtly* embraced the ideal of status differentials by gender, a more subtle move in this direction took place by means of those compensatory approaches which were constructed in a gender biased way.

2. Inferences for some theoretical aspects of just earnings

The distinctive ways in which benefits and burdens were balanced in some firms of our sample reveal the requirement for further reflections on our desert theory. The theory is not designed for an earnings structure where a large proportion of wages and salaries can be found below subsistence level, but is built on the assumption that basic needs are met. Since this situation does not apply to Hungary, the question arises whether adherence to desert theory would mean that a large proportion of earnings is socially unjust, although perhaps economically expedient. Even if we agreed that there are good reasons why the criteria of this particular approach to social justice should apply independently of the economic context, so that we would have to conclude that these wages are unjust, we still may want to ask to what extent this is so, and what the implications are of such a conclusion. Here, the 'equilibrium' aspect of desert theory emerges in a new light, as we can see a possible ranking of benefits: it seems that in circumstances in which the objective of meeting basic needs is neither guaranteed by the financial returns from the main (and official) workplace nor from any public agency, an income to cover needs becomes -almost inevitably- the primary goal of workers. Hence, many benefits other than financial compensation offered to workers are likely to be regarded as being of secondary importance.

This can be illustrated with the example of the seamstresses in a clothing firm, whose job had experienced significant changes after the economic transformation. With the firm being forced to look for new markets in Western countries, the size of the production of one particular clothing item changed drastically. The trade unionist of the company explained that in the past, when much of their production was exported to Russia, the normal situation at their firm was to produce the same clothing item for at least ten months uninterruptedly. Now, the tendency was to work on one type of clothing for a few weeks only. The question was posed to her whether workers appreciated the greater change in their work, which, presumably, would reduce the monotony of it. She responded that the new situation was very much deplored by the workers. They had suffered decreases in their piece-rate pay

due to the fact that the product changed as soon as they had developed the fastest technique of dealing with it. As a corollary, what could initially appear a benefit of their work was revealed to be a disadvantage, and possible benefits other than financial ones were of clear second ranking.

It could be inferred from this that where earnings are particularly low, it is more likely that workers are prepared to accept additional burdens to their job, that they are willing to refrain from non-monetary benefits, and that they will undertake extra efforts if they can increase their poor wages. Of course, there is a possible problem with this rule, which is related to the fact that a definition of needs certainly has to include the requirement of being able to work under conditions which are not detrimental to health. The absence of health damaging working conditions should surely be a precondition on the basis of which we can assess the advantages and disadvantages of a job, although the line may be difficult to draw at times. However, concerning the interviewees' opinions on this issue, there was little ambiguity in this respect. No debates were mentioned in which the possibly conflicting goals of the improvement of unhealthy working conditions by non-pecuniary benefits as opposed to higher pay had been discussed. Where non-pecuniary compensation for extra efforts was offered to women (i.e. longer breaks and free drinks) these 'benefits' were not presented as helping to ensure a certain health standard, but appeared to be mainly related to the wish to 'balance' some other burdens which were said not to affect health. In the case of men's physically heavy work where links between higher pay and working conditions existed, health aspects never entered interviewees' statements. Higher pay was deemed appropriate for the disproportionate effort perceived to be required for this work. By contrast, when the ill-health of mainly female workers in the light industry was a matter of discussion, this resulted neither in suggestions of higher pay as a compensation, nor in attempts of rendering the working environment healthier. And the means used to address this issue, namely early retirement, is neither of preventative nor necessarily curative nature. In other words, while in theory, workers who gain an earning below subsistence level may often be prepared to refrain from improvements in their working-conditions in favour of higher pay *unless* those working-conditions are regarded as health damaging, such considerations could not be found in this study. The claimed improvement of working-conditions was never explained as preventing health-damaging effects, and can rather be interpreted as attempts to compensate for the denial of higher pay granted to other workers in similarly difficult conditions.

As a corollary, it can be argued that in the area of physically light jobs, women have been offered benefits of second ranking, while people in physically heavy work received primary benefits. Hence, it seems advisable to include this distinction between two classes of benefits in desert theory when it is to be applied to conditions where the criterion of meeting needs is unfulfilled. In the practice of our study, men's gains on the basis of their financial rewards resulted in a closer approximation to a socially just wage in absolute terms, closing the gap between wages and the income required for meeting basic needs. The fact that the former group consists almost exclusively of women while the second comprises mainly men may well reflect assumptions about different needs men and women have for earned income, and strengthens further the suggestion that interviewees took a traditional approach to men's and women's claim to earnings.

However, this kind of reasoning may not always have been dominant. Other causes for the neglect of disadvantageous female working-conditions in pay considerations could have comprised the association of monotonous work with domestic work, which resulted in little credit given to the requirements for the job. Research has often shown that even women rate their work inferior to some (perhaps comparable) male tasks, often on the grounds of less training - disregarding the long programming and informal training for certain home maintenance tasks since their early childhood, and accepting low levels of compensation (Lewenhak, 1992, 216). Related to this are the observations made that high levels of monotony - especially when associated with work also done at home- was perceived by some male interviewees to be easily bearable for women. By contrast, monotony was deemed to be more difficult to endure when it was connected with assembly line work -which is obviously unrelated to housework (Chapters 6 and 7).

In particular the assumption that women can bear some burdensome work more easily than men can highlight some other potential difficulty which arises for desert theory of justice when looked at it from the gender perspective. Since men and women appeared to derive their evaluations of burdens and benefits of work partly from the observation of probably sexist arrangements found in areas inside and outside the labour market, it seems unlikely that any possible consensus on what constitutes, for example, burdensome work, can remain unaffected by these observations. In other words, the claim that the vast majority of individuals in a society have similar ideas of what constitutes attractive and unattractive features of a job (cf. Chapter 3) -vague as this may sound- merits re-assessment. The question

needs to be addressed how likely systematic differences of the perceptions of burdensome work by gender are.

Let us return to the example of repetitive work here. While it can be argued that it is easy to overstress interviewees' opinions on the particular job component of monotony, it is worthwhile considering that apart from its practical relevance, this feature has much symbolic significance. As a typical criterion of a large proportion of female dominated work, it exemplifies well general attempts made to downgrade difficulties inherent in mainly women's jobs, of which there was considerable evidence in our data. The view that women are less sensitive to monotony than men has also been presented in the literature over many decades. The reasons which were provided for this alleged gender difference centred around the following three main ideas: women are more used to monotony, because it also occurs in domestic work (Atzler, 1927; Geller 1973, in Krell, 1984, 105-8); they prefer monotonous work, as it allows them to pursue their personal and private thoughts, to daydream, as well as to think about their domestic obligations (Moers, 1943; Bramesfeld & Graf, 1949; Mayer, 1954; in: Krell, 1984, 106-8); and women tend to concentrate on the speed of their work, so that it never comes to a point where this work could be perceived as monotonous (Heiss, 1961; Koelsch, 1963, in: Krell, 1984, 107).

However, there is no empirical evidence that women do not feel the monotony of their work, or even appreciate it due to the opportunity to think of other things at the same time. Rather, it was found that women appear to balance the demands of more challenging work with the benefit of higher earnings levels - as we also observed in our Hungarian data. Krell (1984, 109-10) refers to a study by Wertz et al. (1979), in which the following correlation emerged: while the monotony of jobs was a source of dissatisfaction for women, the features of frequent changes and higher demands did not receive unqualified positive evaluation by those women who worked on a piece-rate system, because the negative effects of reduced wages were recognised.

Moreover, as was explained in Chapter 2, due to their domestic responsibilities, many women are constrained in their opportunities, and often have few other choices but entering those segments of the labour market which possess the characteristics men allegedly would be unwilling to tolerate. The fact that men may indeed succeed in avoiding the jobs women seem more inclined to accept is not only related to men's lesser involvement in domestic work. It also needs to be seen

in the wider social context, for example, in relation to the status positions men and women are commonly expected to adopt, and the very different power base each sex occupies. Here, women's lack of representation in trade unions is a case in point. Adding up all these factors, plus the distinctively different socialisation process of males and females during which girls are 'taught' to be patient and relatively unambitious in their lives outside the domestic sphere, it is well possible that women are more prepared to accept a certain working condition, despite their dissatisfaction with it.

Notwithstanding, Grete Korremann's recent Danish study, which is based on four surveys, showed that "women and men do not have the same understanding of the characteristics of good work" (Korremann, 1995, 1), which can tempt us to assume that some differences may also exist in assessments of what constitutes 'bad work'. In fact, although the study included age and occupation as variables, the findings suggested that "gender differences are more stable across studies and time and probably age and occupation" (ibid., 15). While the differences in evaluations by gender were not of a degree where they opposed each other, but were a matter of emphasis, they were still in accord with stereotypical images of men and women. For example, whereas more men than women chose good chances for promotion as an element of 'good work', more women opted for 'pleasant people to work with', i.e. social relationships at work (ibid.).

Obviously, these results should have implications for our equilibrium theory. Since the theory allows for non-pecuniary compensation in attempts to reach an equilibrium of benefits and burdens, there is the possibility that the requirements for such compensation for male dominated jobs are different from what females would hope for. Korremann, when attempting to find the ideal organisation of work, warns against implementing at a typically female workplace those characteristics which men identified as most valuable (Korremann, 1995, 6). She concedes that there are practical problems with this idea: it is very difficult to obtain people's sense of desirable and undesirable aspects of work independent of the work they are actually doing themselves. For example, employees who work in sectors which are afflicted by large-scale redundancies are more likely to place job security high on their order of priorities than employees who are in high demand in the labour market (Korremann, 1995, 5-6). Also, individuals are aware of societal expectations and have experienced a certain social environment so that the stereotypical responses by men and women found by Korremann are not surprising. Yet, such responses raise the question whether jobs which are designed

in a way in which they suit the typical taste of men and women would easily reinforce gender segregation by attracting only members of one sex.

If men's and women's views on 'good work' were used to structure their jobs in a certain way, this idea could be taken advantage of by those in high status jobs. Even in the recent past, several methods have been used to exclude women from more prestigious jobs, whether through protection law, or by defining working conditions in a way in which they are incompatible with private obligations (Chapters 2 and 6). For example, if 'responsibility' was seen as a beneficial element of jobs, but was intrinsically linked to long working-hours, then many women could be excluded from the types of job with those features. So it seems that any research examining men's and women's views on benefits and burdens should go beyond the participants' immediate responses, and needs to examine the underlying motives. Only then will there be more certainty about whether differences in the stated preferences for certain working conditions are a matter of 'gendered tastes', or whether they rather reflect vested interests, and different experiences of a whole range of social conditions in which men and women find themselves.

Social conditions also pose problems for another component of desert theory, namely the idea that 'effort' should make up the crucial determinant of socially just wages. It will be remembered that one attraction of the principle of effort is that it does not rely on non-deserved characteristics; it does not provide those who enjoy the luck of being naturally endowed with certain talents with the further advantage of relatively high financial rewards on the basis of their non-deserved fortune. The principle only distinguishes between people with human capital and those without to the extent to which its acquisition can be said to have involved certain efforts. All efforts count the same, whether they are based on talents and qualifications, or not. *Prima facie*, it seems that in this respect, 'effort' is more gender-neutral than the achievement criterion, which can easily favour men as explained earlier in this Chapter, and in Chapter 2. However, what 'desert' does not acknowledge are those socially-determined and non-deserved attributes which can have an impact on the *opportunities* to exert effort in education or training, and in employment.

Dealing with the two levels of analysis, the pre-labour market and the labour market situation, there are the following issues to be considered: a problem which exists for an assessment of effort in relation to women's acquisition of skills is the fact that some of this process is unlikely to be as immediately obvious as it is for

skills which are typically gained by males. It has been argued that in Hungary, as well as in other societies, much of the 'training' of women for female dominated work takes place in an informal setting where, for example, home maintenance and caring skills are taught to them covertly (Chapter 6). Concerning the second level of analysis, the question arises whether in societies which are characterised by women's 'double burden', it can be regarded as socially just to expect those who work many hours in the private sphere to be able to put similar effort into their paid work as those who tend to rest outside their activities in the public domain. This issue seems particularly pertinent to societies in which traditional notions of gender roles feature highly. Hence, if a theory of justice wants to ensure that it treats all members of society equally, then problems like these must be addressed. In order to achieve this, the theory has to go beyond the analysis of events at the workplace, and needs also to explore gender relations outside the world of work. Efforts expended in the private sphere would have to be incorporated, either by rewarding them directly, or by acknowledging that some people carry already some credits on the burden side of their equilibrium sheet before they start their paid work. And even then, the success of the theory would depend on whether 'efforts' are evaluated in a gender-neutral way, and the bias removed which seems to operate when male and female skills are assessed.

3. Policy Issues

As to policy practice, it appears that we are left with a problem similar to the one surrounding the evaluation of skills: what matters ultimately are the final objectives policy makers pursue. The fact that the option for a certain wage structure is most important when inequalities of pay are dealt with could be seen with the Swedish and the German example, where key players in earnings determination were prepared to moderate the existing social status hierarchy. This attitude preceded the perfecting of technical instruments of wage determination, leading to the narrowing of differentials (Chapter 2).

Would the emphasis on policy makers' objectives as the main determinant in potential reductions in gender inequality conflict with an approach to socially just earnings which places much stress on the procedure of earnings determination, namely balancing burdens and benefits? This does not necessarily have to be the case, as the argument was also advanced that it is difficult to conceive of wage determination in a purely procedural way, i.e. without any criterion of what

constitutes a 'just outcome'. Politics in general are directed towards a particular goal (Chapter 3). However, where the conception of a just outcome is in a dependent relationship with the technical procedure of wage determination -as is the case when job evaluation schemes are obviously geared to reproducing the existing order of gender inequality- this would be incompatible with our theory. Of course, it would be equally illegitimate to, first, make gender equality our goal, and then devise the technical means to achieve it. After all, if it was found that one sex systematically carries out work which weighs more heavily on the burden side than work performed by their opposite, we would want to see this disproportionate effort rewarded. So rather than having 'gender equality' as an objective, the goal should be 'the abolition of unjustified (gender) inequalities', which implies the requirement that any measure of gender inequality needs to be justified. The key question with the potential to lead to this goal could then be whether there is anything inherent in the different jobs men and women perform which could lead us to believe that one sex systematically engages in more burdensome and less rewarding work than the other. This would demand an account of the scale of priorities adopted in job evaluations, so that reasons would have to be provided why, for instance, dexterity should be worth less than physical strength, or why monotonous work constitutes a lesser burden than physically heavy jobs.

It is, of course, difficult to compare such different job components, but there is an urgency to attempt a synthesis; even more so because implicit comparisons of this sort must have been made all along in decisions about earnings levels. It was only that the process of reasoning remained largely obscure. What was visible to the eye was little more than the outcome, which systematically attributed little value to the features of women's work, and highly evaluated those of men's. Since such an arbitrary result has no legitimacy, we cannot shy away from specifying the principles we want to adopt for decisions concerning a hierarchy of job constituents in job evaluations. Of course, in order to approximate our goal of reaching an equilibrium of burdens and benefits, 'burdens' constitute only one aspect of jobs, and we should also attend to their intrinsic benefits.

It was striking to note in our interview data an almost absence of references to beneficial characteristics of jobs. Maybe this was because the discussion of aspects of work took place in the context of earnings determination which prompted interviewees to examine the burdensome components of a job to justify certain pay levels. In order to explain that a particular wage is 'deserved', few other strategies seem available apart from a presentation of the concurrent disadvantages, which

are seen as meriting compensation. However, even when comparisons of jobs with different pay levels were made, interviewees hardly changed their tactic. Now, it could have been envisaged that the lower level of pay would not only have been justified by pointing to the 'heavier burden' some jobs entail, but alternatively, possible greater benefits of less well paid employment could have been mentioned.

The fact that such approaches did not occur comes as no surprise. After all, systems of job evaluation and the common structure of collective agreements only assess assumed levels of difficulties of jobs, which add up to a certain amount of pay. Possible advantages accompanying those burdensome aspects never come into the equation. It is the virtue of the theory of desert that it sensitised us to the importance of intrinsic benefits of jobs. It reminded us that those aspects of work which on the face of it look extremely burdensome may well have easily overlooked intrinsic advantages at the same time. *Vice versa*, those jobs which are commonly regarded as 'light' and 'easy' may often lack those intrinsic benefits. Unskilled, monotonous jobs are often characterised by little autonomy, and by only an indirect relation to the end product, so that alienation from work is more likely to occur as an accompanying feature than inherent satisfaction. If we attended to 'benefits' which lie in the nature of jobs, it is likely that our judgement of what extrinsic rewards are in order would be modified.

Even if job evaluations were developed in the comprehensive way described above, there will still be the necessity to take some general decisions about the scope of inequalities which is deemed acceptable: where grounds for inequalities have been identified, there is the question of their acceptable extent. In so far, attitudes to the desirable extent of wage dispersion will be crucial, and will obviously also affect gender inequalities.

4. Prospects

What are the prospects for changes in the area of earnings inequalities by gender in Hungary? Here, we can focus in particular on two elements: on those forces which seem to contribute to women's exclusion from more powerful positions and higher pay, and on women's potential to counter those, one possibility being the development of collective approaches.

Women's difficulties to access financial rewards comparable to those of male workers has been revealed in the evaluation of women's working conditions, which

was discussed in detail above. Beyond this it has also been claimed that the determination of earnings can still happen in a rather obscure and informal manner which is detrimental to women. These problems are certainly more likely to occur in firms where collective bargaining and agreements do not exist. Firms of this kind are in the majority. Small- and medium sized enterprises are characterised by an absence of collective agreements in favour of individual employment contracts. The situation seems worse in the light of our data in Chapter 5, which suggested that trade unions are still reluctant to fulfil their new role of whole-heartedly representing the interests of the workforce. Although such institutions have now gained autonomy, they are characterised by inexperience, for example, by features such as unionists not being used to hostile employers. The collaborative approach management and unions took in issues concerning workers' interests was highlighted. It was pointed out that in the past, when unions neither monitored breaks with labour legislation nor adopted other functions vital for the realisation of workers' rights, workers developed their individual strategies.

In fact, individualisation was argued to be one of the most striking features of the bargaining process in socialist Hungary. In the absence of collective rights and organised forms of collective action, workers in the socialist state had still substantial individual bargaining power, partly arising from certain aspects of the economic system, such as the chronic labour shortage. Different groups of workers pursued different ways of coping, including informal firm bargaining of 'elite workers'.⁷¹ The vast majority of workers participated in the second economy, the size of which was more significant in Hungary than in its neighbouring countries (Chapter 5). It seems that in our study, the well known important role of the informal economy contributed to interviewees' reluctance to react collectively to conditions which before the transition had also been responded to individually (Chapter 7).

Not only may the possibilities in the second economy have generated an attitude which relegated the option of collective action and solidarity at the back of people's mind, whether in the area of gender equality or workers' rights in general. Moreover, these possibilities seem also have influenced public images of women workers. The fact that women played a lesser role in the second economy than men

⁷¹ While those conditions which favoured individual bargaining no longer apply, it is likely that women as a group experience fewer changes in this area than men, as they were underrepresented in the groups of workers with such power (Chapter 5)

mirrored in the 'chosen' strategy of a division of labour: "after finishing work on their main job men worked in the second economy, while women managed the household and daily life" (Tóth, 1993, 219). A correlation has indeed been suggested between the development of widely held views that women are unequivocally families' secondary earners and the start of the booming second economy in the mid-1970s (Tóth, 1993, 219).

Hence, even if the institutional problems which the social partners still face today will gradually be solved with experience and skills which the actors will obtain over time, and even if workers can generally hope to find the support with which these agencies are usually associated in Western societies, women seem to face difficulties which are more deeply rooted. The detection and action against practices of discrimination against women has hardly been on anyone's agenda. The questionable role intermediary institutions seem to occupy in the representation of women's interests, for example in the areas of equal opportunity and equal pay for work of equal value, leaves employees with little more options but to directly confront their employer in case of a perceived injustice. In other words, for those women who are prepared to tackle the problem of exclusion, their procedures will be characterised by individual action. Success in such instances is not only unlikely, but also a far cry from those fundamental changes in earnings determination which can lead to controlled, institutionalised gender differences in pay.

It is certainly not a coincidence that relatively narrow earnings differentials have empirically been associated with centralised bargaining and regulations, not least because such systems tended to be accompanied by a policy of upgrading low wages or of narrowing wage brackets - as was the case in Sweden where the element of 'solidarity' featured in wages policies (Chapter 2). Women could benefit from such policies disproportionately due to their predominance in low paid jobs, and the campaign against low wages was indeed combined with one of anti-discrimination. The centralised wage fixing system further contributed towards relatively narrow wage differentials between the sexes by preventing pay discrimination resulting from a strict confinement of bases of comparisons, for example to one employer, or even to one establishment. A safeguard existed against situations where production would have been specialised, and female workers would have dominated those establishments in which wages are lowest, rendering the prospect of comparison impossible (Chapter 2). However, the precondition for this distinctive improvement of women's earnings position was men's willingness

to accept a relative loss in their wage levels. And the failure to subscribe to this premise was part of the reason why the implementation of Equal Pay legislation in Britain could not result in significantly smaller earnings differentials (Chapter 7). This social obstacle will certainly pose many problems in Hungary.

The 1992 Labour Code also seems of limited use for attempts to combat discrimination against women in employment. Although §5 prohibits negative discrimination against employees, also on account of gender, section (3) comprises the following statement.

“Employers must provide an opportunity to their employees for advancement into higher positions without any discrimination whatsoever, solely on the grounds of time spent on the job, professional abilities, experience and performance.”

However, criteria such as ‘time spent on the job’ or ‘experience’ can certainly be a source of indirect discrimination, if it is borne in mind that women are more likely to be subject to career interruptions than men. This bias could also exist in ‘performance’ which is often operationalised by using experience and seniority as proxies (Eyrand, 1993, 43).

With regard to the political arena, it is noteworthy that the proportion of women in Parliament currently amounts to a mere 5.7%, without any female minister (Krén, 1996, 18).⁷² Gender issues have not become a matter of debate in Hungary (Ferge, 1992a, 11), and there is an obvious lack of public support for the promotion of women’s rights, economic and otherwise. Rather, the whole region of Central and Eastern Europe has been affected by an ‘allergy’ to feminism. One symptom of this are the efforts made to allocate an exclusively domestic role to women (Einhorn, 1993, 5). A climate exists in which powerful political interests are advocating full time motherhood as an officially recognised occupation - a reaction to economic problems (Adamik, 1991, 170) which has parallels in the past, when women’s prescribed roles were largely dependent on perceived economic and demographic developments (Chapter 6). But such ‘ideal roles’ for women are also frequently couched in nationalistic terms, when women are reminded of their responsibilities for the nation. It has been argued that if socialism defined women’s lives according to perceived economic and demographic demands, then nationalism today is

⁷² This compares with 9.7% of female MPs in Britain in 1995 (En Gender, 1996, 1).

subordinating women by reducing them to their reproductive function (Einhorn, 1993, 260).

What indicators are there of forces set up by women to oppose these types of exclusion? There have been few signs of organised activity by women. Hardly any significant movement could be registered at grass-root level since the transformation, which would have been likely to address gender issues in general, and women's economic opportunity in particular. This phenomenon can also be explained as a logical continuity of the past, when women's issues were approached in a top-down fashion, and usually addressed in the context of the general interests of the proletariat (Chapter 6). Since the opportunity for independent organisation and spontaneous citizens' initiatives was denied, there is little experience in the techniques of forming and running organisations to build upon. Moreover, it has been argued that today,

“[a]ny real grass roots movement will have enormous difficulties finding resources (even the basic infrastructure such as premises, telephone, etc.), since it will have no access to power, and will be operating in a society where the bitter struggles of everyday life isolate women from each other” (Adamik, 1993, 168).

So even those women who recognised that society needs to deal with the 'woman's question' have received negligible public support.

At the same time, 'women's tasks' have often become even more difficult to manage with the rising prices, which have forced many Hungarians to adopt various coping strategies in order to maintain their living standard, or to delay deterioration as long as possible. These strategies have included the performance of extra jobs or longer working hours (Berki & Ladó, 1995b, 199). Clearly, when important decisions have to be taken how best to juggle domestic obligations and financial demands, little time and energy can be expected to be mobilised for the development and pursuit of political interests.

But there is also the question whether women from post-socialist societies adhere to values which are compatible with the ideals Western feminists would usually espouse. Here, the account of an American lecturer who taught women's studies in Budapest is enlightening. She identified the probably most important obstacle for such organisations to take off. It was discovered that university students found it extremely difficult to relate to (even liberal) feminist ideas (Chapter 6). In our study, it was also witnessed that opinions on women workers and pay by female

interviewees could hardly be distinguished from those held by their male colleagues. Both sexes tended to readily accept the ideal of the division of labour. Here, the concept of 'tradition' was of relevance. By judging men's and women's suitability for jobs on the basis of traditional arrangements, and by refraining from challenging 'traditional notions', interviewees in effect defined men's and women's respective sphere of economic activity (horizontal job segregation), and indicated the different priority paid employment should have for the two sexes (vertical job segregation). Men's lesser involvement in the domestic sphere was rarely challenged. The power of the resort to tradition, and its apparent function of excluding women from certain economic opportunities, will be difficult to break, partly due to its perceived intrinsic legitimacy. This could apply similarly to the status hierarchy commonly associated with earnings. The fact that most interviewees were unwilling to challenge 'the male breadwinner' model reflects the fact that moral justifications of well-entrenched ideals are rarely examined, the result being that they have come to possess an inherent legitimacy. The interviews yielded the result that such arrangements were accepted as 'normal'. This outcome seems to share some aspects with the Hungarian Labour Flexibility Survey, which showed clear signs of overt discriminatory attitudes of employers against women (Chapter 6).

However, the transforming economy could yield new, and perhaps rather ambiguous, possibilities. For the first time, some women have experienced or will experience the loss of their role in paid work. This could be an involuntary or a 'chosen' situation. On the one hand, women could be pushed into the domestic arena due to unemployment, coupled with the apparent trend that engagement in the second economy is becoming less rewarding and less feasible as the range of sources for additional income is steadily shrinking (Berki & Ladó, 1995b, 199). On the other hand, the polarisation of earnings which Hungary has experienced over the past years may have reached a point where at the top of the spectrum, a considerable proportion of households are able to live on one income only, and opt for what interviewees in our study often described as an ideal.

Two parallel developments can be envisaged. A situation could occur in which a tight labour market and financial needs generate new, ambitious forms of female activity, and thereby new expectations and confidence on the part of women. Already, the rate of women entrepreneurs in Hungary is strikingly high by international standards (Chapter 6), and may be a sign of this course.

At the same time, there could be growing disillusionment of women from all kinds of backgrounds, who, for the first time in their lives, find themselves with an exclusive domestic role - accompanied with financial dependence and perhaps social isolation. It has been argued that female unemployment is one of the issue most likely to mobilise women (Petrova, 1993, 28). Where especially young females with college and university education are left without corresponding jobs, it can be imagined that they will translate their experience of social and economic pressure into political activity (Siklová, 1993, 81). Reflecting on the emergence of the feminist movement in the United States, female dissatisfaction with their confinement to the domestic sphere could be seen as a major contributor - a scenario well captured by Betty Friedan (1963). It might be only a matter of time until Hungarian women, as a collective, have the confidence to challenge the cultural pressures which at present seem to encourage them to define themselves mainly in feminine and domestic terms. Women's awareness of their full potential, and their willingness or need to put it into practice, is not a sufficient condition for the achievement of men's and women's equal status, but it constitutes a crucial prerequisite.

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Appendix 1

Profile of the firms included in the study

The five clothing firms

1. *Status*: former state firm; privatised in 1989

size of workforce 1995: 1500 workers, 92-94% of whom are female

management: the 37 managerial positions are occupied by 14 women and 23 men

products: a variety of clothing items

2. *Status*: former state firm; privatised in 1991

size of workforce: 600 workers

management: the five senior managerial positions are occupied by three women and two men

products: a variety of clothing items and some contract work

3. *Status*: former state firm; limited company since 1992, state owning majority of shares

size of workforce 1995: 1400 workers

management: the thirteen managerial positions are occupied by ten women and three men

products: 95% of production consists of contract work; 5% consists of a variety of clothing items

4. *Status*: private firm which started in 1983

size of workforce: just over 20 registered workers; 50 workers unregistered, most of whom do homework and 49 of whom are women

management: male owner is only manager

products: a variety of clothing items

5. *Status*: firm privatised in 1993; started in 1991 as a limited company

size of workforce 1995: 250 workers, about 90% of whom are women

management: the three senior managerial positions are occupied by women

products: a variety of clothing items

The three textile firms

1. *Status:* former state firm, limited company since 1992, state owning majority of shares

size of workforce 1995: 420 workers

management: the four senior managerial positions are occupied by one woman and three men

products: fabrics produced from raw material; different designs
(workforce before 1989: 1800 workers)

2. *Status:* former state firm; limited company since 1990, state owning majority of shares

size of workforce 1995: 1400 workers; 70% of whom are women

management: the seven top managerial positions are occupied by two women and five men

products: fabrics produced from raw material; different designs

3. *Status:* former state firm; limited company since 1991; state owning majority of shares

size of workforce 1995: 1200 workers

management: the four senior managerial positions are occupied by two women and two men

products: containers made from jute
(workforce before 1989: over 2000 workers)

The five metal firms

1. *Status:* former state firm; limited company since 1992, state owning majority of shares

size of workforce 1995: 800 workers, 150 of whom are women

management: the six senior managerial positions are occupied by two women and four men

products: cranes; metal parts of bridges

2. *Status*: former state firm; limited company since 1991, state owning majority of shares

size of workforce 1995: 4500 workers, 20% of whom are women

management: the 22 managerial positions are occupied by six women and sixteen men

products: buses

(before 1989: 10,000 workers)

3. *Status*: former state firm; limited company since 1991, state owning majority of shares

size of workforce 1995: 220

management: the six senior managerial positions are occupied by one woman and five men

products: nuclear medical instruments; dosimetrical instruments for military and civil purposes and environmental protection

(workforce before 1989: 3500 workers)

4. *Status*: former state firm; limited company since 1994; state owning majority of shares;

size of workforce 1995: 250 workers

management: the four senior managerial positions are occupied by one woman and three men

Research institute in the areas of telecommunication and defense

(workforce before 1989: 1300 workers)

5. *Status*: former state firm; limited company since 1991, state owning majority of shares

size of workforce 1995: 1400 workers in Budapest; 700 workers in six small firms in other areas in Hungary

management: the five top managerial positions are all occupied by men

products: communication (telephone) equipment

(before 1989: 4000 workers in Budapest; 11,000 workers in six small firms in other areas in Hungary)

Appendix 2

Collective Agreements and Categorization Systems

Collective agreements at firm and branch level start with clarifying the period of time for which the agreement is valid, as well as the rules governing its modifications. Following this, the range of points covered varies. Areas most commonly addressed are the conditions under which (large-scale) redundancies can take place, and the size and conditions of compensations; working hours and holidays; the bonuses related to shift-work and overtime; and the remuneration of work, including the use of categorization systems. In all these areas, collective agreements may amend regulations of the national Labour Code only to the advantage of employees, and issues left unaddressed by collective agreements fall under Labour Code regulation. The following structure of a classification system constitutes the basis of all systems in use.

The basic categorization system

		Codenumber	Multiples of minimum wage*
a. Management			
	I.	11	3.5
	II.	12	3
b. Mid-management			
	I.	21	3
	II.	22	2
	III.	23	1.8
c. White-collar employees (who are not in leading positions)			
	I. 1. trainee /0-1 year/	31	1.4
	2. staff /above 1 year/	32	1.6
	II. 1. trainee	33	1.6
	2. staff	34	1.8
	3. senior staff	35	2.2
	III. 1. trainees	36	1.8
	2. staff	37	2
	3. senior staff	38	2.4
d. Secretarial staff			
	1. Trainee /0-0.5 year/	41	1
	2. staff /above 0.5 year/	42	1.2

*The exact figures of this column are replications from the 1992 Collective Agreement of the National Federation of the Hungarian Machine Industry (MAGOSZ) and the Iron Workers' Trade Union Confederation (p.5). In 1992, the minimum wage was Forint 8000/month.

e. Blue-collar workers			
1. unskilled	I.	51	1
	II.	52	1.15
2. semi-skilled	I.	53	1.2
	II.	54	1.3
3. skilled	I.	55	1.4
	II.	56	1.8
4. 'master'	I.	57	1.9
	II.	58	2.2

For blue collar workers, working conditions are taken into account:

Normal: light physical work requiring energy of less than 5200 kJ per shift.

Adverse: work which cannot be classified under 'normal'; physically heavy work. Individual firms may specify the occupations which fall under each of these categories, as well as pointing out which of those women cannot legally engage in. Special pay rates apply for adverse working conditions.

Despite the common structure of categorisation systems, some modifications are possible, such as the existence of further sub-groups of categories. As is shown below, the 1994 wage agreement of the Clothing Industry distinguishes between code numbers 32.1 and 32.2, the first code applying to staff employed for one to ten years, and the second for staff employed for over ten years. The distinction between 'normal' and 'adverse' working conditions also creates more codenumbers.

		Codenumber	Multiples of minimum wage*
a. Management			
	I.	11	3.3
	II.	12	2.8
b. Mid-management			
	I.	21	2.55
	II.	22	2.1
	III.	23	1.6
c. White-collar employees (who are not in leading positions)			
I.	1. trainee /0-1 year/	31	1.0
	2. staff /above 1 year and below 10/	32.1	1.25
	/above 10 years/	32.2	1.6
II.	1. trainee	33	1.3
	2. staff	34	1.4
	3. senior staff	35	2.0

*In 1994, the minimum wage was Forint 10,500/month.

III. 1. trainees		36	1.5
2. staff		37	1.7
3. senior staff		38	2.3
d. Secretarial staff			
1. Trainee /0-0.5 year/		41	1.00
2. staff /above 0.5 year/		42	1.15
e. Blue-collar workers			
1. unskilled	Normal I	51.01	1.00
	Normal II.	51.02	1.05
	Adverse	52.00	1.12
2.1 semi-skilled (simple work)			
	Normal I.	53.11	1.07
	Normal II.	53.12	1.12
2.2 semi-skilled (complicated work)			
	Normal I	53.21	1.12
	Normal II	53.22	1.18
2. semi-skilled	Adverse	54.00	1.26
3. skilled	Normal I.	55.01	1.22
	Normal II.	55.02	1.31
	Adverse	56.00	1.37
4. 'master'	Normal I	57.01	1.55
	Normal II.	57.02	1.70
	Adverse	58.00	1.75

Of course, the main source of difference amongst the systems are the multiples of the minimum wages found in the last column of the tables above. Comparing the agreements of the 1992 Collective Agreement of the National Federation of the Hungarian Machine Industry (MAGOSZ) and the Iron Workers' Trade Union Confederation with that of the 1994 Clothing Industry, it is clear that despite the two years' gap between them, the former provides for higher pay than the latter in most categories. However, while the multiplied minimum wage constitutes the minimum earnings for the different work groups, actual wages and salaries earned can often be above those levels.

In terms of the gender distribution between and within these industries, firms in the clothing industry tend to be female dominated and in the metal working industry male dominated. In firms in the light industry in general, it is likely that more women are found in all categories of blue-collar workers, from unskilled to 'master', but hardly classified as working in adverse conditions. In firms in the heavy industry, it is likely that women are predominantly found in the semi-skilled and unskilled jobs in normal working conditions, whereas men will tend to dominate skilled work as well as the jobs in adverse working conditions. While the gender

division amongst white collar employees is perhaps more difficult to predict, it is clear that secretarial positions in both industries will be almost exclusively occupied by women. By contrast, a significantly higher number of men will be found in managerial positions, although this state of affairs may be less pronounced in firms in the light industry, where earnings in general are relatively low.

Appendix 3

Interview topic guide

The following topics and questions were noted down on index-cards, which were used as 'reminders' during the interviews:

1. Profile of the firm

- number of workers
- types of products

2. Nature of industrial relations (added after the first interviews)

- for how long has management/trade union representative been in his/her current position? History of employment?
- has the relationship between trade union and management changed? For what reasons?

3. Equal pay for work of equal value

- 'desert': types of work at firm considered particularly difficult/easy to perform
- 'achievement': what are/should be the most important criteria taken into consideration when wages are determined?
- 'needs': did considerations of people's needs play any role in the last wage negotiations? Is the inclusion of this criterion regarded as important?

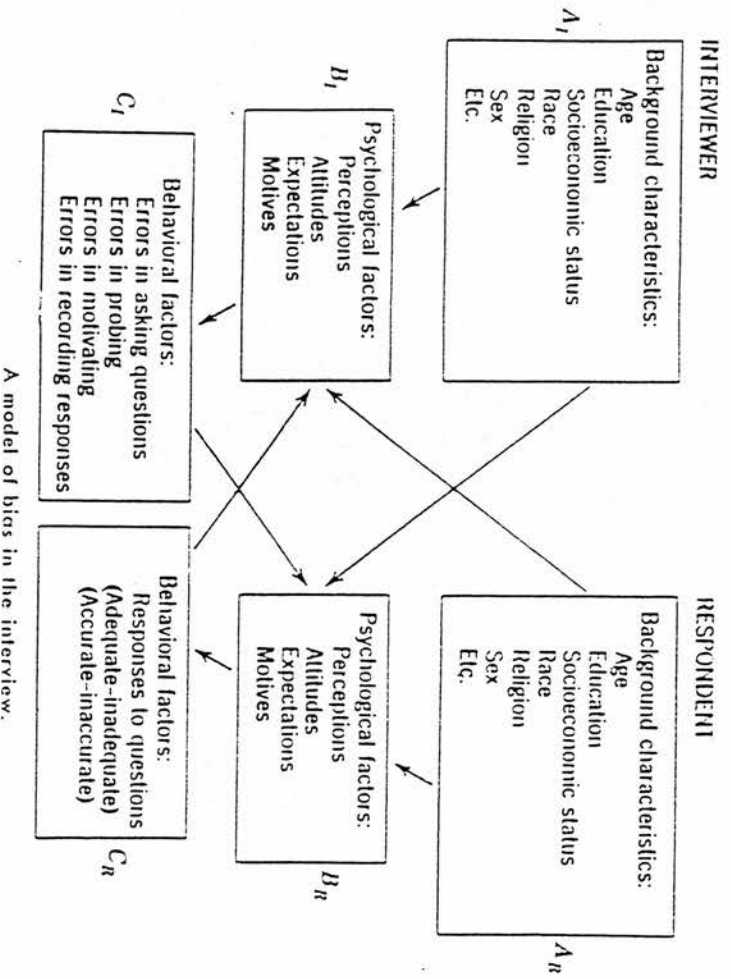
4. Equal opportunities

- what is the gender distribution in management positions at the firm?
- is there equality in access to jobs? Is there equality in outcome? What are the reasons for either state of affairs?
- are there any characteristics relevant to the value of white or blue collar workers in which women differ from men, i.e. is either sex more suitable for a particular job?
- is there any need to address the perceived situation of men and women's employment opportunities, and any possibilities of dealing with them?

5. What are the prospects of

- wage development
- gender equality in firm considering distribution of jobs and earnings

Appendix 4



in: Kahn Robert L. & Cannell Charles F., The Dynamics of Interviewing—Theory, Technique, and Cases, Krieger, Mahabar, Florida, 1983, second edition (1957), p. 194.

Appendix 5

